CIBC

innovation + accountability

ANNUAL REPORT 2001

PROFILE

CIBC is a leading North American financial institution comprising four strategic business units: Electronic Commerce, Technology and Operations; Retail and Small Business Banking; Wealth Management; and CIBC World Markets. CIBC has more than eight million retail banking customers and approximately 8,000 corporate and investment banking customers. At year-end, total assets were $287.5 billion, market capitalization was $17.7 billion and Tier 1 Capital Ratio was 9.0%.

CIBC VS. THE TSE 300 & THE TSE BANKS AND TRUST INDICES

CIBC outperformed both the Toronto Stock Exchange (TSE) 300 Index and the TSE Banks and Trust Index in terms of total shareholder return. For the two-year period ended October 31, 2001, CIBC's total return was 63.5%, compared to 38.7% for the TSE Banks and Trust Index, and -2.5% for the TSE 300 Index.

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements about the operations, priorities, targets, plans, objectives and strategies of CIBC for 2002 and subsequent years, including the forward-looking statements of CIBC's business units (Electronic Commerce, Technology and Operations; Retail and Small Business Banking; Wealth Management; and CIBC World Markets), and functional groups (Treasury, Balance Sheet and Risk Management; Administration; and Corporate Development). Forward-looking statements are typically identified by the words "believe," "expect," "anticipate," "intend," "estimate" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." (For more information on forward-looking statements, see page 19.)

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63.5%

CIBC remains focused on our overall objective of delivering the best total shareholder return of all major Canadian banks. **For the second year in a row, we delivered on our goal, bringing our total two-year return to 63.5%,** first among the major Canadian banks.

As at or for the years ended October 31		2001	2000	1999	1998	1997	US$ 2001[1]
COMMON SHARE INFORMATION							
Per share - basic earnings	- reported	**$ 4.20**	$ 4.97	$ 2.23	$ 2.26	$ 3.51	**$ 2.73**
	- operating[2]	**$ 5.19**	$ 5.45	$ 3.30	$ 2.89	$ 3.71	**$ 3.38**
- fully diluted earnings	- reported	**$ 4.07**	$ 4.84	$ 2.22	$ 2.25	$ 3.50	**$ 2.65**
	- operating[2]	**$ 5.03**	$ 5.30	$ 3.24	$ 2.87	$ 3.69	**$ 3.27**
- dividends		**$ 1.44**	$ 1.29	$ 1.20	$ 1.20	$ 1.05	**$ 0.94**
- book value		**$ 26.44**	$ 25.17	$ 22.68	$ 22.08	$ 21.07	**$ 16.64**
Share price - high		**$ 57.00**	$ 50.50	$ 42.60	$ 59.80	$ 41.75	**$ 35.88**
- low		**$ 43.20**	$ 30.50	$ 28.00	$ 24.40	$ 26.55	**$ 27.19**
- closing		**$ 48.82**	$ 48.40	$ 31.70	$ 30.65	$ 41.20	**$ 30.73**
Shares outstanding (thousands)							
- average basic		**372,305**	388,951	409,789	415,030	413,545	**372,305**
- average fully diluted		**388,236**	404,569	422,501	425,303	422,403	**388,236**
- end of period		**363,188**	377,140	402,279	415,515	414,294	**363,188**
Market capitalization ($ millions)		**$ 17,731**	$ 18,254	$ 12,752	$ 12,736	$ 17,069	**$ 11,160**
VALUE MEASURES							
Price to earnings multiple (12-month trailing)		**11.6**	9.7	14.2	13.5	11.7	**11.6**
Dividend yield (based on closing share price)		**2.9%**	2.7%	3.8%	3.9%	2.5%	**2.9%**
Dividend payout ratio		**34.2%**	25.9%	53.6%	53.0%	29.9%	**34.2%**
Market value to book value ratio		**1.85**	1.92	1.40	1.39	1.96	**1.85**
FINANCIAL RESULTS ($ millions)							
Total revenue on a taxable equivalent basis (TEB)[3]	- reported	**$ 11,306**	$ 12,210	$ 10,265	$ 9,242	$ 8,621	**$ 7,355**
	- operating[2]	**$ 11,288**	$ 11,846	$ 10,253	$ 9,125	$ 8,516	**$ 7,343**
Provision for credit losses	- specific	**$ 1,100**	$ 970	$ 600	$ 280	$ 360	**$ 716**
	- general	-	$ 250	$ 150	$ 200	$ 250	-
	- total	**$ 1,100**	$ 1,220	$ 750	$ 480	$ 610	**$ 716**
Non-interest expenses	- reported	**$ 8,226**	$ 8,096	$ 7,998	$ 7,125	$ 5,372	**$ 5,351**
	- operating[2]	**$ 7,499**	$ 7,790	$ 7,372	$ 6,764	$ 5,372	**$ 4,878**
Earnings	- reported	**$ 1,686**	$ 2,060	$ 1,029	$ 1,056	$ 1,551	**$ 1,097**
	- operating[2]	**$ 2,056**	$ 2,248	$ 1,463	$ 1,317	$ 1,633	**$ 1,337**
FINANCIAL MEASURES							
Efficiency ratio[4]	- reported	**72.8%**	66.3%	77.9%	77.1%	62.3%	**72.8%**
	- operating[2]	**66.4%**	65.8%	71.9%	74.1%	63.1%	**66.4%**
Return on common equity	- reported	**16.1%**	20.5%	9.8%	10.3%	17.7%	**16.1%**
	- operating[2]	**19.8%**	22.5%	14.5%	13.2%	18.7%	**19.8%**
Net interest margin (TEB)[3]		**1.68%**	1.68%	1.67%	1.59%	1.97%	**1.68%**
Net interest margin on average interest earning assets (TEB)[3]		**1.97%**	1.99%	2.03%	1.91%	2.27%	**1.97%**
Return on average assets		**0.60%**	0.78%	0.38%	0.38%	0.66%	**0.60%**
Return on interest earning assets		**0.71%**	0.93%	0.46%	0.45%	0.76%	**0.71%**
Regular workforce headcount[5]		**42,315**	44,215	45,998	47,171	42,446	**42,315**
BALANCE SHEET AND OFF-BALANCE SHEET INFORMATION ($ millions)							
Cash resources and securities		**$ 86,144**	$ 79,921	$ 72,019	$ 71,765	$ 53,183	**$ 54,219**
Loans and acceptances		**$ 163,740**	$ 154,740	$ 145,646	$ 163,252	$ 155,864	**$ 103,058**
Total assets		**$ 287,474**	$ 267,702	$ 250,331	$ 281,430	$ 237,989	**$ 180,936**
Deposits		**$ 194,352**	$ 179,632	$ 160,041	$ 159,875	$ 138,898	**$ 122,325**
Common shareholders' equity		**$ 9,601**	$ 9,493	$ 9,125	$ 9,175	$ 8,729	**$ 6,043**
Average assets		**$ 278,798**	$ 263,119	$ 271,844	$ 278,823	$ 236,025	**$ 181,358**
Average interest earning assets		**$ 238,655**	$ 221,331	$ 223,774	$ 232,114	$ 204,121	**$ 155,245**
Average common shareholders' equity		**$ 9,739**	$ 9,420	$ 9,323	$ 9,100	$ 8,195	**$ 6,335**
Assets under administration[6]		**$ 657,400**	$ 696,800	$ 614,800	$ 404,200	$ 245,100	**$ 413,768**
BALANCE SHEET QUALITY MEASURES[7]							
Common equity to risk-weighted assets		**7.4%**	7.1%	6.8%	6.3%	5.9%	**7.4%**
Return on risk-weighted assets		**1.27%**	1.53%	0.74%	0.70%	1.11%	**1.27%**
Tier 1 capital ratio		**9.0%**	8.7%	8.3%	7.7%	7.0%	**9.0%**
Total capital ratio		**12.0%**	12.1%	11.5%	10.8%	9.8%	**12.0%**
Net impaired loans after general allowance ($ millions)		**$ (592)**	$ (575)	$ (266)	$ (123)	$ 28	**$ (373)**
Net impaired loans to net loans and acceptances		**(0.36)%**	(0.37)%	(0.18)%	(0.08)%	0.02%	**(0.36)%**

(1) Represents the translation of Canadian GAAP financial information into US$ using the year-end rate of $0.6294 for balance sheet figures and the average rate of $0.6505 for operating results.
(2) Operating excludes unusual items and Amicus. For a discussion of these items in 2001 to 1999, see pages 20 and 21. In 1998, operating excluded after-tax gains of $64 million (pre-tax $117 million), after-tax expenses of $211 million (pre-tax $361 million) of which after-tax $25 million (pre-tax $42 million) related to Amicus, and an after-tax general provision for credit losses of $114 million (pre-tax $200 million). In 1997, operating excluded after-tax gains of $60 million (pre-tax $105 million) and an after-tax general provision for credit losses of $142 million (pre-tax $250 million).
(3) For the definition of taxable equivalent basis (TEB), see footnote 2 of Note 23 on page 89 of the consolidated financial statements.
(4) Efficiency ratio may also be referred to as non-interest expenses to revenue ratio.
(5) For the definition of regular workforce headcount, see page 22 of the management's discussion and analysis.
(6) Comparative figures have been restated to conform with the presentation used in 2001.
(7) Debt ratings: S & P – Senior Long Term: AA -; Moody's – Senior Long Term: Aa3.

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Measuring performance

FINANCIAL TARGETS	MEASUREMENT	2001 PERFORMANCE
Share price	Best total return to shareholders among the major Canadian banks, beginning November 1, 1999	Best total return, **63.5%** since Nov. 1, 1999
Return on equity (ROE)	18% by 2002[1]	19.8%[1]
Earnings	Fully diluted EPS growth of 15% per year[1]	-5.1%[1] ($5.03 per share)
Efficiency	Non-interest expenses to revenue of 60% by 2002[1]	66.4%[1]
Capital strength	8.0%-9.0% Tier 1[2] 11.0%-12.0% total capital[2]	9.0% 12.0%

(1) Based on operating results – refer to pages 20 and 21 for more details.
(2) Capital strength measures have been adjusted upward, as an ongoing objective, to 8.5% - 9.5% for Tier 1 and 11.0% - 12.5% for total capital.

Managing capital

Disciplined, systematic and focused capital management is at the heart of how we monitor our 37 businesses. Each business is assessed based on both quantity and quality of earnings. Our focus is to redirect capital resources to those businesses offering the highest potential growth and return.
(See page 19)

Delivering results

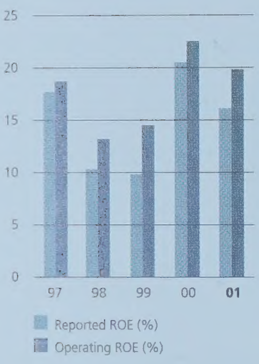
BUSINESS UNITS	2001 REVENUE[1] (as % of total)	2001 ROE[1]
Electronic Commerce, Technology and Operations	16.2%	44.5%
Retail and Small Business Banking	23.4%	28.3%
Wealth Management	20.3%	71.4%
CIBC World Markets	37.5%	19.3%

(1) Based on operating results – refer to pages 20 and 21 for more details.

Monitoring progress

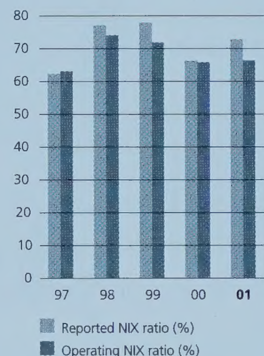
At CIBC, we manage our 37 businesses with vigour and discipline. To monitor our progress, we measure 190 performance metrics every month. Based on these results, we direct capital and other resources to those businesses where we have a long-term sustainable advantage. This process provides the detailed analysis required to make key business decisions during times of change and is fundamental to CIBC's accountability commitment to our shareholders. The following are examples of some of the metrics we use to continually assess our performance.

(For more on operating results, see pages 20 and 21.)



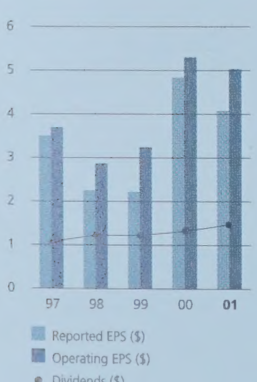
RETURN ON EQUITY (ROE)
(Reported, operating, %)

Reported ROE was 16.1% in 2001, compared to 20.5% in 2000. Operating ROE was 19.8% for the year, compared to 22.5% in 2000. ROE is a key measure of bank profitability. It is calculated as net income divided by common shareholders' equity.



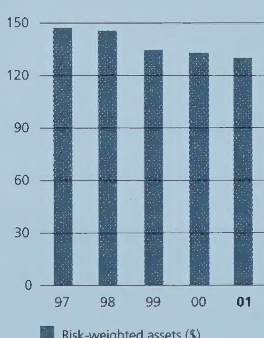
NIX RATIO
(Reported, operating, %)

The NIX ratio, which is a measure of non-interest expenses divided by total revenue, was 72.8% on a reported basis in 2001, compared to 66.3% in 2000. On an operating basis, the NIX ratio was 66.4% in 2001, compared to 65.8% in 2000.



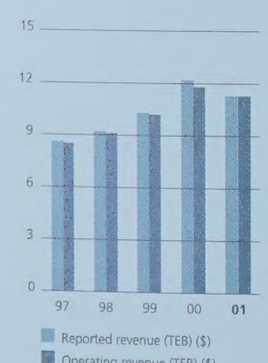
EARNINGS PER SHARE (EPS) AND DIVIDENDS
(Reported, operating, $)

Reported EPS, diluted, were $4.07 in 2001, compared to $4.84 in 2000. Operating EPS, diluted, were $5.03 in 2001, compared to $5.30 a year earlier. EPS is a measure of net income after tax and preferred share dividends, divided by average common shares outstanding. CIBC's dividends per common share for 2001 were $1.44, compared to $1.29 in 2000.



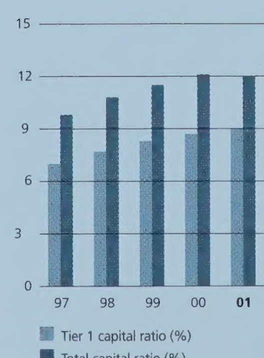
RISK-WEIGHTED ASSETS
($ billions)

Risk-weighted assets were $129.9 billion in 2001, compared to $132.9 billion in 2000. Risk-weighted assets are calculated by applying weighting factors as specified by the industry regulator to all of our balance sheet assets and off-balance sheet exposures.



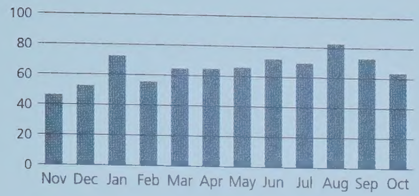
TOTAL REVENUE
(Reported, operating, $ billions)

Total reported revenue on a taxable equivalent basis (TEB) was $11.3 billion in 2001, compared to $12.2 billion in 2000. Operating revenue for the year was $11.3 billion, compared to $11.8 billion in the previous year. Total revenue is comprised of: net interest income, which is a measure of interest and dividends earned on assets, net of interest paid on liabilities; plus non-interest income, which includes income earned from fees for services, such as wealth management services and underwriting.



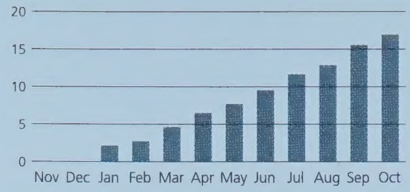
CAPITAL RATIOS
(%)

CIBC continued to be one of the most strongly capitalized banks in Canada. At year-end, our Tier 1 capital ratio was 9.0% and our total capital ratio was 12.0%.



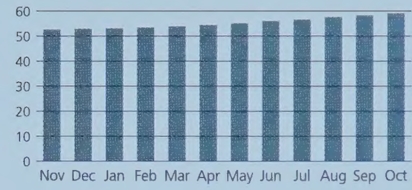
TOTAL INVESTOR RETURN
(Cumulative from November 1, 1999, %)

CIBC generated the highest total investor return among the major Canadian banks – 63.5% for the two-year period ended October 31, 2001.



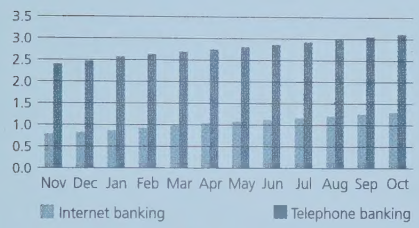
SHARE REPURCHASE
(Cumulative # of shares, millions)

During the year, CIBC continued its share repurchase plan under a normal course issuer bid that began on December 20, 2000. A total of 16.9 million shares were purchased at an average price of $51.17 per share.



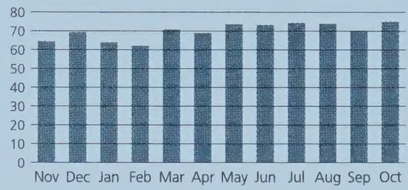
RESIDENTIAL MORTGAGES
($ billions)

The portfolio of residential mortgages under administration increased to $59.1 billion in 2001, up from $52.1 billion in 2000. New mortgage originations reached a record high $18 billion and market share increased to a high of 13%.



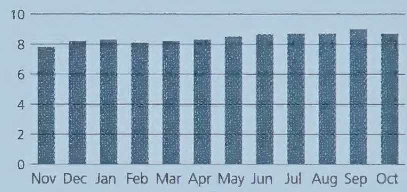
GROWTH IN EMERGING BANKING CHANNELS
(# of customers, millions)

Internet banking customers increased to 1.3 million in 2001, up 63% year-over-year. Telephone banking customers grew to 3.1 million, a year-over-year increase of 27%.



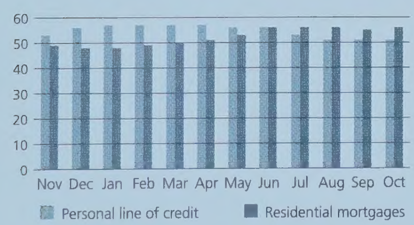
ELECTRONIC TRANSACTIONS
(millions)

The growth in emerging channels supports our customers' increasing preference to conduct more of their transactions electronically. During the year, electronic transactions grew to 75 million.



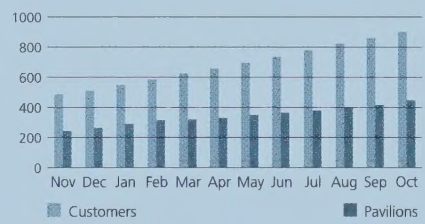
CARD BALANCES UNDER ADMINISTRATION
($ billions)

VISA loans based on average balances under administration, including securitization, grew to $8.4 billion in 2001. Market share of purchase volumes increased to 32%.



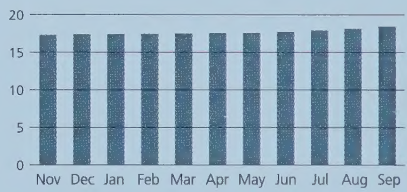
CREDITOR INSURANCE SALES PENETRATION
(%)

CIBC continued to refocus its insurance efforts during the year as part of our objective to improve our penetration in creditor insurance sales.



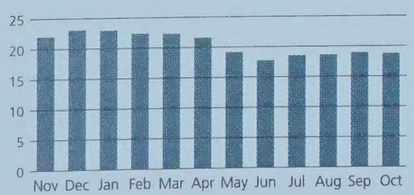
AMICUS CUSTOMERS (thousands)
AND PAVILIONS

Amicus exceeded customer acquisition targets, accelerating to more than 37,000 new customers per month on average during the year. Amicus had approximately 901,000 registered customers in North America at year-end, up 97% year-over-year. The number of pavilions increased to 447, up from 230 at the end of 2000.



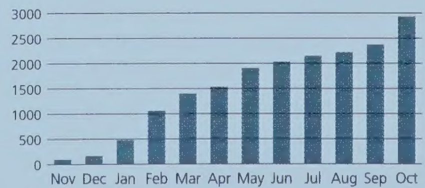
CHEQUING AND SAVINGS ACCOUNTS
(% market share, incl. President's Choice Financial)

CIBC increased its market share of consumer chequing and savings accounts during the year. Among the major Canadian banks, CIBC's market share increased to 18.5% as at the end of September, 2001, compared to 17.3% in November, 2000.



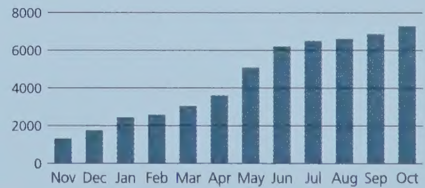
LARGE CORPORATE CORE LOAN PORTFOLIO
(Risk-weighted assets, $ billions)

The credit capital markets portfolio (loans to large corporations) decreased, reflecting our strategy to actively manage our credit portfolio and focus only on core loans. At the end of 2001, the portfolio was $18.8 billion, compared to $22.8 billion at the end of 2000.



MUTUAL FUNDS
(Cumulative net sales, $ millions)

CIBC improved its ranking to second place among all Canadian mutual fund companies in mutual fund net sales. During the year, cumulative net sales grew to $2.9 billion.



RETAIL BANKING TRAINING
(# of employees, cumulative)

Upgrading the skills and knowledge of our branch-based employees continued to be a major focus during the year. To date, 7,287 employees have participated in training programs through our Retail University and sales schools.

John Hunkin, Chairman and Chief Executive Officer (left), with Tom Woods, Executive Vice-President and Chief Financial Officer

Faced with the dramatic economic and social challenges of the past year, our strategy proved its worth. In 2001, we once again delivered the best total return to shareholders of any major Canadian bank.

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STRONG PERFORMANCE

Two years ago, CIBC's management team set aggressive goals, highlighted by our objective to generate the best total return of all major Canadian banks. For the second year in a row, we delivered, bringing our two-year total return to shareholders to 63.5%, outpacing all other major Canadian banks.

Our operating earnings for the year were $2.1 billion or $5.03 per share. And, our reported earnings of $1.7 billion, or $4.07 per share, were the second highest in the bank's 134-year history.

We also exceeded our ROE target, achieving an operating return of 19.8% in 2001. CIBC's regulatory capital ratios remained among the strongest in the industry with a Tier 1 capital ratio of 9.0%. This strong capital position was achieved even as we continued our share repurchase program. During the year, we acquired 16.9 million common shares at an average price of $51.17 per share.

MANAGING THROUGH UNCERTAIN TIMES

CIBC's strong performance during fiscal 2001 was overshadowed by dramatically changing economic conditions, particularly in the wake of the tragic events of September 11th.

North America entered a significant period of economic slowdown during the fourth quarter of 2001, and all indications are that these unsettled conditions will continue through the first half of 2002. For CIBC, the challenge will be to outperform our competitors in the face of weaker markets – and then emerge with renewed strength.

To address this, CIBC initiated a series of actions late in the year to bolster our franchise. They included:

- Completing a bulk sale of $848 million in U.S. corporate loans and $195 million of undrawn credit commitments. The bulk loan transaction removed large sources of credit risk, supporting our ongoing strategy to reduce risk levels and redirect capital to higher-return, lower-volatility businesses.

- Restructuring the ownership of certain U.S.-based loans and leases. The effect of this strategic action more than offset the after-tax loss on the bulk sale of loans, eliminating any negative impact on our earnings.
- Increasing CIBC's provision for credit losses in the fourth quarter by $149 million, bringing the full-year loan loss provision to $1,100 million, while maintaining total allowances for credit losses of $592 million more than gross impaired loans.
- Taking a charge of $207 million to implement a cost-cutting program that will result in the reduction of an estimated 2,300 positions. The workforce reductions followed a business-unit by business-unit analysis of market conditions and short- to mid-term growth prospects. Where possible, CIBC will attempt to achieve reductions through normal attrition.

Given the uncertain economic outlook, we are implementing these actions in ways that reduce our costs, strengthen our balance sheet, and enhance our prospects for future growth.

PROACTIVE CAPITAL MANAGEMENT

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In addition to the bulk sale of loans, we made significant progress during the year in support of our goal to proactively manage capital and improve overall performance. The key to this strategy is continually assessing our 37 businesses and diverting capital to those businesses where we have a strong competitive position and superior growth opportunities.

Our acquisition of the remaining shares of TAL Global Asset Management Inc. (TAL) supported this effort, providing the foundation for future growth and expansion of our Wealth Management business.

We also sold our Guernsey private banking business in 2001. In addition to divesting what we determined to be a non-strategic asset, CIBC realized an after-tax gain of $22 million from this sale.

We signed an agreement with Barclays Bank PLC to combine our respective operations in the Caribbean. We also sold our Merchant Card Services business to Global Payments Inc. In both of these transactions, CIBC is acquiring a smaller interest in a larger combined operation. We believe the potential for future earnings growth as part of a larger enterprise is significantly greater than had we maintained our interests in the smaller operations.

GROWTH

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Key to our success is making business decisions on a day-to-day basis with the expectations and interests of our shareholders – and our customers – firmly in mind. Throughout this annual report, and our enhanced online version, we have used this icon to highlight examples of innovation and accountability at work, demonstrating the progress we are making to transform CIBC into a growth-oriented, performance-driven organization.

Within our **Electronic Commerce** business, we had a very successful year in both our cards and mortgages businesses, with market share of cards purchase volumes increasing to 32%, and market share of residential mortgages reaching a new CIBC high of 13%.

We also continued to make steady progress through Amicus, our co-branded electronic retail banking business. Our model has been very successful in Canada under the President's Choice Financial umbrella, with dramatic gains being made during the year in customer acquisition and funds under management. In the U.S., we are encouraged by our early results and will look at strategic alternatives, including potential alliances, to fund our future growth, while continuing to manage our investment in this growth initiative in a way that limits its impact on our earnings.

Within our **Retail and Small Business Banking** operation, we launched a public campaign to provide our customers with Smart, Simple Solutions. We backed up the campaign by launching new services and products – including the Waive Account and the Better than Prime Mortgage – which deliver real value to our customers. At the same time, we took steps to transform our retail branch network, placing a stronger emphasis on training and customer service. Our goal is to transform our retail operations from a solid but slower-growth business, to one that is higher-growth and more sales-oriented.

Within our **Wealth Management** business, we remained committed to our strategy of providing a strong, relationship-based sales capability, along with the smartest possible investment solutions. We continue to believe the most successful financial services companies will be those capable of providing clients with objective, expert financial advice, backed by a strong offering of proprietary and third-party products.

Approximately 345 financial advisers in bank branches across Canada have successfully completed the educational requirements to be licensed to provide a full range of investment advice. Shortly after the end of the fiscal year, we announced a definitive agreement with **Merrill Lynch Canada** that will dramatically expand our overall retail investment broker network, allowing it to become the largest in Canada. This action, combined with our acquisition of TAL, will do much to advance CIBC's strategic goal to derive a higher proportion of its overall revenue from retail Wealth Management operations.

In **CIBC World Markets**, we maintained our leadership position in Canadian investment banking, expanded our client franchise in the U.S. and seized new growth opportunities in Europe. We also continued to make strong progress against our strategy of building a successful, full-service investment bank. This was highlighted by the fact that our North American team led the largest technology merger ever – the $41 billion acquisition of SDL by JDS Uniphase. CIBC World Markets followed up this milestone by being selected as the lead manager in Shoppers Drug Mart's initial public offering of approximately $540 million.

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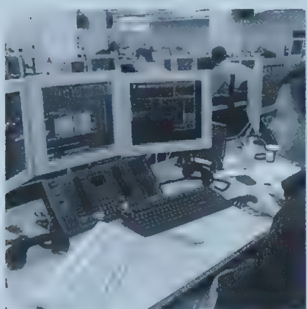
OUR ONGOING OBJECTIVES

- **Best total return of all major Canadian banks**
- **Operating ROE of 18% or more**
- **Fully diluted operating EPS growth of 15%**
- **Non-interest expenses to revenue of 60% on an operating basis**
- **Tier 1 ratio of 8.5% to 9.5%**
- **Total capital ratio of 11.0% to 12.5%**



Top: CIBC's offices in One World Financial Center in New York were damaged by the collapse of the World Trade Center on September 11, 2001. Bottom: Within two days of the tragedy, we relocated 2,000 employees to our midtown Manhattan premises, and to other temporary locations. CIBC was ready for business by the time markets re-opened.

DEDICATION TO PERFORMANCE

The fact that our strong financial performance was achieved in an increasingly challenging market environment makes our results all the more rewarding. Of course, none of our actions or results during the year would have been possible without the dedication and performance of CIBC's employees. At no time was this commitment more apparent than in the wake of the September 11th tragedy in New York.

CIBC's One World Financial Center facility – located in close proximity to the World Trade Center in lower Manhattan – was significantly damaged by the collapse of the twin towers. Naturally, our first thought was for the safety and security of our more than 3,000 New York-based employees. Once we were assured that all were safely accounted for, our attention next turned to answering the opening bell of the New York Stock Exchange on behalf of our customers the following Monday. And we did so, thanks to the efforts of hundreds of CIBC employees, both in New York and at locations across North America. Many of these employees worked literally day and night to expand the trading floor, reconfigure offices, and devise technology solutions to enable our second, midtown Manhattan location at 425 Lexington Avenue to take the additional work flow.

It is often said that an organization is only as good as its people. If this is the true measure – and I firmly believe it is – then CIBC should be counted among the best of the best. I want to take this opportunity to thank all employees for successfully managing through one of the most difficult times in memory – as well as congratulate them for a very successful year.

2002 OUTLOOK

Fiscal year 2002 will no doubt be challenging for CIBC and other financial institutions. Forecasts suggest the economic slowdown in North America will likely persist well into the first half of the year.

Despite this, CIBC's management team remains fully committed to not only realizing the substantial value inherent in our core businesses, but also to developing new opportunities for growth through investment and acquisition. We believe the steps that have been taken in 2001, coupled with a commitment to stay the course in terms of our growth strategy in 2002, will allow us to perform exceptionally well on a comparative basis and will position us to once again deliver the best total return to our shareholders.

J.S. HUNKIN
Chairman and Chief Executive Officer

In 1999, we announced a new direction and set aggressive performance targets for CIBC. Since then, we have been implementing our strategy and delivering against our goals. Below are some of our operating highlights for 2001, providing evidence that our strategy continues to deliver results.

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- **ACQUIRED THE REMAINING SHARES OF TAL GLOBAL ASSET MANAGEMENT INC.** as part of an ongoing strategy to provide Wealth Management clients with objective financial advice and an enhanced product offering. The acquisition is an important step in growing our Wealth Management business.
- **REACHED AN AGREEMENT**, subsequent to year-end, to acquire Merrill Lynch Canada Inc.'s retail brokerage, asset management and Canadian services businesses. The combined entity will operate under the CIBC Wood Gundy name and will have a retail sales force of more than 1,600 financial consultants, managing over $85 billion in assets. The transaction is subject to regulatory approval.

- **COMPLETED THE BULK SALE OF $848 MILLION IN U.S. CORPORATE LOANS** and $195 million in undrawn credit commitments. The sale was significant as it removed large sources of credit risk, supporting our objective to redirect capital to higher-return, lower-volatility businesses.
- **SOLD THE MERCHANT CARD SERVICES BUSINESS TO GLOBAL PAYMENTS INC.** in return for a 26% equity interest in the combined company, which has almost three times the processing capability that CIBC had on a stand-alone basis. The sale generated an after-tax gain of $43 million. Our equity interest was worth approximately $190 million more than the book value of our investment, as at October 31, 2001.
- **REPURCHASED 16.9 MILLION COMMON SHARES** for $867 million under a normal course issuer bid. Tier 1 and total capital ratios remained strong at 9.0% and 12.0%, respectively.

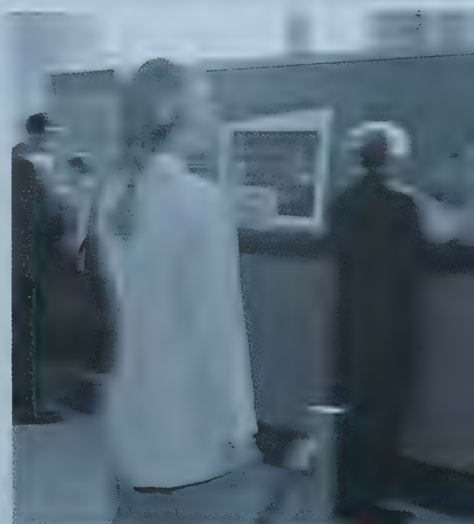
- **CIBC'S NORTH AMERICAN INVESTMENT BANKING TEAM** led the largest technology merger ever – the $41 billion acquisition of SDL, Inc. by JDS Uniphase Corporation.
- **PLAYED A JOINT LEAD ROLE IN THE ACQUISITION OF YELL DIRECTORIES** by two lead equity sponsors. It was the largest leveraged buyout ever in Europe, entailing £1.55 billion of debt. This, combined with our lead role in Nomura's acquisition of Le Méridien Hotel Group for £1.9 billion, established CIBC World Markets as a leading leverage finance bank in Europe.

• **SOLD OUR GUERNSEY PRIVATE BANKING BUSINESS** to The Bank of N.T. Butterfield & Son Limited of Bermuda. Aside from generating an after-tax gain of $22 million, the transaction supports Wealth Management's strategy to focus on its North American client base. It is also consistent with CIBC's overall strategy to direct capital to high-growth, high-return businesses.

• **CIBC MOVED UP TO SECOND PLACE** in mutual fund net sales among all Canadian mutual fund companies for fiscal 2001. CIBC also continued to rank first in index fund net sales for fiscal 2001.

• **UNVEILED A PUBLIC COMMITMENT TO IMPROVE CUSTOMER SERVICE**, backed by a major marketing campaign to highlight the initiatives underway throughout CIBC's retail bank to provide customers with Smart, Simple Solutions.

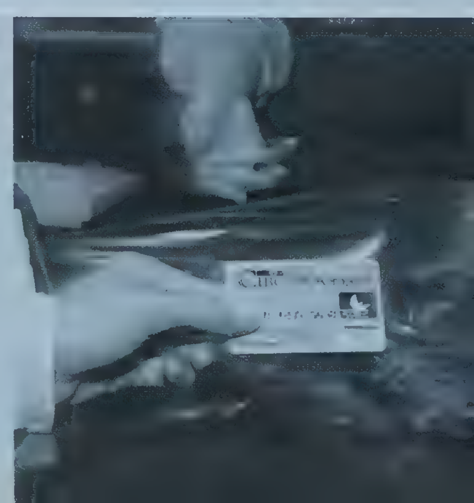
• **COMMITTED $175 MILLION FOR TECHNOLOGY UPGRADES** within our retail branch network to ensure employees have customer service tools to make branch banking faster. By the end of 2001, approximately 48% of branches had new computer systems. All branches will be upgraded by the end of 2002.

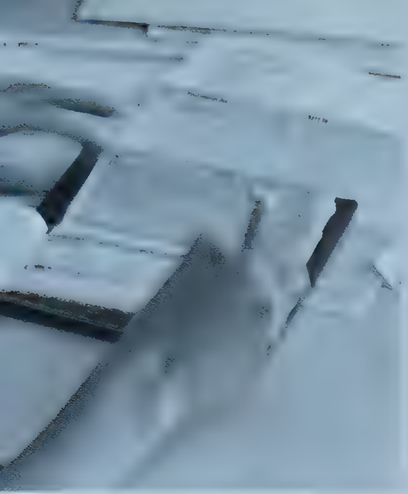


• **SIGNED AN AGREEMENT WITH BARCLAYS BANK PLC** to combine CIBC's and Barclays' retail, corporate and offshore banking operations in the Caribbean into a new entity called FirstCaribbean International Bank™. Under the proposed transaction, CIBC and Barclays will each own approximately 45%, with the remainder held publicly. FirstCaribbean International Bank will bring together two complementary and leading financial services businesses in the Caribbean, offering customers enhanced products, improved services and extended access to banking services. This transaction, subject to various approvals and conditions, is aligned with our strategy to maximize the value of each part of our franchise. We believe our share in this new entity will represent higher earnings potential.

• **CONTINUED TO BE CANADA'S NUMBER-ONE BANK CREDIT CARD PROVIDER** by the measures that drive profitability – purchase volumes and credit card outstandings. Average balances under administration increased 21% to $8.4 billion and market share of purchase volumes increased to 32%. CIBC also continued to be the leading issuer of premium cards based on purchase volumes.

• **CIBC WAS SELECTED AS ONE OF THE 35 BEST COMPANIES TO WORK FOR IN CANADA** by *Report on Business Magazine*. CIBC was the only major Canadian bank to make the list this year.





- **LAUNCHED THE WAIVE ACCOUNT**, the only chequing account offered by a major Canadian bank that allows customers to bank for free by holding a minimum $1,000 balance.

- **INTRODUCED THE BETTER THAN PRIME MORTGAGE**, which offers customers 1.01% below prime for the first nine months of a residential mortgage and 0.25% below prime thereafter.

- **CIBC MORTGAGES INC. HAD A VERY SUCCESSFUL YEAR.** New residential mortgage originations reached a record high $18 billion and market share increased to a new CIBC high of 13%. Our success was led both by product innovation and distribution strength.

- **EXTENDED THE WEEKDAY OPERATING HOURS AT 150 BRANCHES** and opened for Saturday banking at 83 additional branches across Canada, providing customers with more flexible branch banking options.

- **CONTINUED TO COMPLEMENT IN-BRANCH BANKING SOLUTIONS** with expanded electronic banking channels. Internet banking customers grew to 1.3 million, up 63% from 2000. Telephone banking customers grew to 3.1 million, up 27% from a year ago.

- **CONTINUED TO EXPAND BIZSMART**, an e-banking and e-commerce offer to provide Canadian small businesses with access to no-fee, daily banking and online services. By year-end, 50 bizSmart kiosks were operating in Staples Business Depot stores in five provinces across Canada.

- **CONTINUED TO EXPAND AMICUS**, CIBC's co-branded electronic retail banking business in Canada and the U.S. CIBC also received approval to make Amicus a Schedule 1 Bank in Canada. Growth in customer acquisition accelerated to more than 37,000 per month, on average, and over 444,000 for the year, up 97% from the previous year, bringing the total number of registered Amicus customers to approximately 901,000 as at October 31, 2001.

- **OUR MODEL OF ESTABLISHING AMICUS PAVILIONS** within the best retail grocery stores is proving successful in Canada. Through our key alliance with Loblaw Companies Limited, we have more than 200 pavilions operating under the brand President's Choice Financial. During the year, our customer base in Canada grew by 76% and funds under management increased by 115%.

- **ENHANCED INVESTOR'S EDGE DISCOUNT BROKERAGE OFFER** to improve and simplify the online investing experience for Wealth Management clients. CIBC Investor's Edge was recognized for its ongoing improvements to its discount brokerage services. In a *Globe and Mail* survey, Investor's Edge moved up from a previous survey to 5th of 12 online brokerages and was cited among the best in the pricing and trading categories. Subsequent to year-end, *Canadian Business* magazine ranked CIBC Investor's Edge 4th of 12 online brokerages. The survey recognized CIBC Investor's Edge for its improved website, great speech recognition phone service, good research and fair pricing.

- **LICENSED A TOTAL OF 345 BRANCH-BASED ADVISERS TO DATE** to provide Wealth Management clients with informed, comprehensive, objective financial advice on more than 1,200 third-party investment products as well as the CIBC family of mutual funds.

At CIBC, accountability is one of our core values – and it goes well beyond delivering strong financial results to our shareholders. It includes a responsibility to all of our stakeholders – employees, customers and communities, as well as shareholders.

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TOTAL EMPLOYEES
regular workforce headcount of 42,315

TOTAL SPENT ON OUTSIDE GOODS
approximately $2.7 billion

TAXES PAID (IN CANADA)
$728 million

CHARITABLE DONATIONS
more than $40 million

WE ARE ONE OF CANADA'S LEADING CORPORATIONS, with major business operations in Canada, the United States, and throughout many other parts of the world. The economic role we play is significant. In 2001, CIBC employed more than 42,000 people worldwide, the bulk of them in Canada. CIBC also supported thousands of indirect jobs in Canada and elsewhere through the estimated $2.7 billion spent on outside goods and services. Taxes paid to all levels of government in Canada totaled $728 million. CIBC also contributed more than $40 million directly to charitable causes worldwide, including $22 million in Canada, and supported our employees' volunteer activities, which raised millions of dollars in communities where we operate.

But numbers alone don't tell the whole CIBC story. They cannot measure the commitment of our employees, nor do they reflect the efforts underway throughout the organization to better serve our customers and communities.

CIBC's goal, quite simply, is to make a positive difference through our products, our services and our support. That's why we continually listen to our stakeholders, and then respond in innovative ways that address their needs.

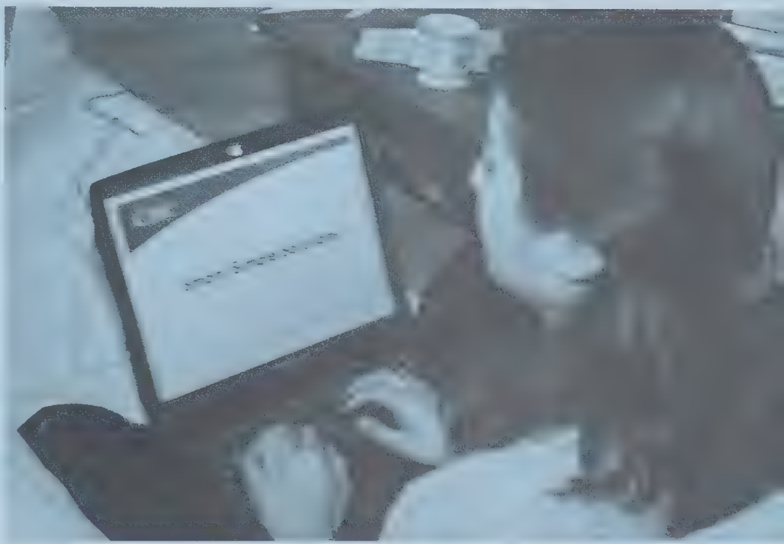
Our retail customers – approximately 5.9 million in Canada – want accessible and affordable banking solutions that make the most of their time and money. Our more than 460,000 small business customers are looking for greater access to financing and financial expertise to help them achieve their business objectives. And, community groups across the country count on CIBC for support of their important causes. The next few pages describe just some of the actions we have taken to respond to these needs.

PROVIDING ACCESSIBLE AND AFFORDABLE BANKING

As life becomes more complicated, our customers' needs and banking habits are rapidly changing. More and more, customers are complementing their personal in-branch banking with electronic banking transactions. Why do they visit an ABM, pick up the telephone, or click their mouse for a growing percentage of their banking needs? Because their time is at a premium and they like to decide for themselves when, where and how they do their banking.

Our goal is to offer our customers faster, wider and easier access to quality products and services – 24 hours a day, seven days a week. We do this by continually strengthening our traditional and electronic banking channels, which today include a network of 1,170 branches and more than 4,400 ABMs in Canada, plus a growing number of computer and telephone banking capabilities.

CIBC is also focused on delivering affordable banking solutions that provide value to our customers. We offer a range of solutions – each with a different combination of features, benefits and costs – so customers can choose the ones that provide the best value for their individual needs.



Supporting our goal of becoming a more customer-focused organization, we made a commitment during the year to provide our customers with Smart, Simple Solutions.

Some of the actions taken throughout the year to address customers' needs include:

- Committing $175 million in branch technology upgrades to make it easier for our frontline salespeople to serve our customers.
- Making banking simpler and more affordable, by streamlining savings and chequing accounts, including our new Waive account, the only chequing account offered by a major Canadian bank that allows customers to bank for free when holding a minimum $1,000 balance.
- Offering more flexibility in branch banking, by extending weekday operating hours at 150 locations nation-wide, and opening for Saturday banking at 83 additional branches.
- Providing faster, easier electronic banking, by increasing the number of accounts customers can access at CIBC bank machines, revamping our Internet banking and Investor's Edge websites, opening a fourth telephone banking call centre, and upgrading call centre systems to include speech recognition technology and other enhancements.
- Increasing banking choices, by expanding our co-branded electronic retail, no-fee daily banking business in Canada through our alliance with Loblaw Companies Limited under the brand President's Choice Financial.

While we are proud of what we have done to simplify and improve banking, we recognize that there is more to do. In fact, there will always be more to do, as our customers' needs continue to evolve. We are committed to changing with them.

FOCUSING ON SMALL BUSINESS

CIBC understands the importance of small business in today's economy. This sector, defined as enterprises with less than 50 employees, accounts for more than 80% of all private sector firms in Canada and for about 33% of total payroll in the country. Total self-employment in Canada has risen by more than 30% over the past decade and currently represents 15% of total national employment.

One of CIBC's objectives is to become the bank of choice for small business. We created a separate small business unit – the first of any major Canadian bank – to focus on the needs of small business customers. CIBC now has more than 460,000 small business customers in Canada and more than $16.7 billion in authorized loans to small business.

Our goal is to continue to tailor our banking initiatives to reflect the kinds of account relationships, access to credit, and convenience that small business owners want.

We created a separate business unit – the first of any major Canadian bank – to focus on the needs of small business customers.

During 2001, we took numerous steps to directly support the needs of small business customers, including:

- Providing no-fee daily and online banking services with valued discounts on business supplies, by expanding bizSmart within Staples Business Depot locations across Canada.
- Forming business advisory teams in urban markets to provide small businesses with relationship continuity.
- Expanding access to credit and capital, by becoming the first Canadian bank to develop a loan referral program with Wells Fargo Bank, the leading small business lender in the U.S.

CIBC knows that the business and personal financial affairs of small business owners are intertwined. Decisions in one will affect the other. Our business advisers and frontline salespeople are qualified to provide advice on both business and personal financial planning, which means they are better able to help our small business customers meet their financial goals.

SUPPORTING COMMUNITY AND EMPLOYEE VOLUNTEER ACTIVITIES

Giving back to the community is an important part of CIBC's culture. Through our employees' volunteer efforts, as well as corporate contributions, we are working to make a difference in all of the communities – large and small – that we call home.

In 2001, CIBC contributed more than $40 million to charitable organizations and community-based initiatives around the world, supporting a broad range of causes, with a focus on helping youth at turning points in their lives. Through Youthvision, CIBC funds hundreds of programs that combine education, mentoring and skills development, encouraging young

people to stay in school and plan for their future. The CIBC Youthvision Scholarship is a partnership with Big Brothers and Big Sisters of Canada and YMCA Canada. Each year, 30 scholarships and YMCA internships, worth up to $35,000 each, are awarded to grade 10 students who are enrolled in a mentoring program with Big Brothers and Big Sisters of Canada.

The volunteer activities of CIBC employees are just as important as our corporate contributions to community-based organizations. CIBC proudly supports its employees who dedicate their time and effort to events, such as the CIBC Run for the Cure, the CIBC World Markets Children's Miracle and the United Way.

The CIBC Run for the Cure has become our biggest employee fundraising activity in Canada, as well as the country's largest annual event dedicated to raising money to fight breast cancer. This year's 10th anniversary run was the most successful ever, with 32 cities and more than 115,000 people participating, including some 7,000 CIBC employees, families and friends. More than $10 million was raised to support the advancement of breast cancer research, education, diagnosis and treatment.

The CIBC Run for the Cure has become our biggest employee fundraising event in Canada, raising more than $10 million in 2001.

The CIBC World Markets Children's Miracle Day is held the first Wednesday of every December, when CIBC World Markets and CIBC Wood Gundy staff from Canada, U.S., Asia, and Europe donate their fees and commissions to children's charities. During the 2000 Miracle Day, CIBC raised $25 million globally, including $2.8 million in Canada. Established in 1984, the event has raised more than $71 million to date. The funds are directed back into the communities where they were raised, so these big numbers turn into grassroots help for local and national agencies. From winter boots for children in foster care, to camps for children with special needs, Miracle Day touches communities and children across Canada and around the world.

In addition, CIBC and its employees contributed more than $5.9 million to United Way agencies across Canada. And, through our Employee as Ambassador Program, CIBC encourages volunteerism and, in 2001, provided funding of almost $300,000 by contributing up to $1,000 each to community organizations supported by employees.

PUBLIC ACCOUNTABILITY

Beginning this year, CIBC will publish an annual public accountability statement that outlines our contributions to the social and economic fabric of Canada. A complete copy of CIBC's 2001 public accountability statement will be available during the first quarter of 2002 on our corporate website at www.cibc.com.

Management's discussion and analysis for 2001 has been designed to provide stakeholders with a more meaningful presentation of our business lines. Accountability statements, strategic commentary and key messages from each business line leader have been integrated into the business line review to support the financial analysis.

Management's discussion and analysis

Management's discussion and analysis of CIBC's 2001 results and operations is organized into five sections:

To facilitate an understanding of the bank's 2001 results, this section sets out CIBC's significant business themes. An overview of the consolidated financial results is also provided to set the framework for the more detailed business line discussions that follow.

This section reviews CIBC's businesses and provides an explanation of the bank's reporting structure, which is consistent with how the business is managed. In addition, each business line leader reviews the year. Business line performance is measured against 2001 objectives. Ongoing objectives and priorities are also detailed. Finally, an in-depth financial review is provided.

The functional groups provide infrastructure support services to the business lines. In this section, the business leader for each functional group reviews the year and establishes priorities going forward.

This section provides a discussion of CIBC's consolidated income statements and consolidated balance sheets, as well as a detailed outline of how CIBC manages risk and capital.

This section provides an economic review of the year 2001 and the outlook for 2002, as well as an overview of the regulatory environment in which CIBC operates. Accounting and reporting developments complete the section.

Overview

Business themes

CIBC continued to enhance its rigorous balance sheet resource allocation process during 2001. The process is based on a principal investor mindset that reallocates balance sheet resources, such as economic capital and risk-weighted assets, to businesses of high strategic value and sustainable returns. The performance of every business across the bank is assessed on the basis of quantity and quality of earnings. As a result, the bank internally places each of its 37 businesses into one of the four quadrants in the balance sheet resource allocation matrix represented below.

BALANCE SHEET RESOURCE ALLOCATION MATRIX

The quantity of earnings is measured on a performance management basis, including risk-adjusted return on capital (RAROC) and economic profit. The RAROC and economic profit measures are based on economic capital, which captures the inherent risks associated with each business. For a more detailed discussion on these performance measurements see page 25. Quality of earnings considers volatility, sustainability, strategic importance and growth potential. These assessments support the allocation of balance sheet resources to each business.

Businesses with strong earnings, high strategic importance and long-term growth potential are considered **"growth"** businesses. Examples of businesses in this quadrant include cards, merchant banking and asset management. Balance sheet resources allocated to cards increased in 2001, supporting a 21% increase in revenue. The merchant banking business generated $569 million in revenue in 2001, while balance sheet resources grew by 4%. Merchant banking investments continue to be an important part of the bank's strategy for building new client relationships and cementing long-term profitable relationships. Additionally, CIBC acquired the remaining 34% of the outstanding common shares of TAL Global Asset Management Inc. as part of an ongoing strategy to provide Wealth Management clients with objective financial advice and an enhanced product offering.

Businesses with low current earnings, but long-term profitability and growth potential, are considered **"investment"** businesses. One example is Amicus, which was formed to consolidate CIBC's co-branded electronic retail banking businesses through alliances. Balance sheet resources allocated to Amicus increased by 136% in 2001 to support growth in the number of alliances, pavilions, clients and client balances.

"Managed growth" businesses continue to have strong financial results, but with more moderate long-term growth prospects. Mortgages grew its balance sheet usage by 17% in 2001, supporting a very successful year that included 47% revenue growth.

Businesses with low earnings and lower long-term growth potential fall into the category of **"fix, reduce, exit."** During the year, CIBC continued to liberate capital from these businesses through a reduction of over $5.0 billion of risk-weighted assets. Examples of activities in 2001 included:

(i) The ongoing reduction of the non-core loan portfolio, through loan sales, credit derivatives and maturities that resulted in the release of more than 35% of its balance sheet resources.

(ii) Additionally, in October, CIBC World Markets, together with Treasury, Balance Sheet and Risk Management, completed a bulk sale of U.S. corporate loans of $848 million to Ark II LLC, an entity managed by Patriarch Partners II LLC, an investment firm specializing in distressed loans.

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements about CIBC. A forward-looking statement is subject to risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond CIBC's control, affect the operations, performance and results of CIBC, and could cause actual results to differ materially from the expectations expressed in any of CIBC's forward-looking statements. These factors include current, pending and proposed legislative or regulatory developments; intensifying competition, resulting from established competitors and new entrants in the financial services industry; technological change; global capital market activity, including interest rate fluctuation, currency value fluctuation and general economic conditions worldwide, as well as in Canada, the United States and other countries where CIBC has business operations; the impact of the events in New York on September 11, 2001; changes in market rates and prices which may adversely affect the value of financial products; and CIBC's success in managing the costs associated with the expansion of existing distribution channels, developing new ones and realizing increased revenue from these channels, including electronic commerce-based efforts. This list is not exhaustive of the factors that may affect any of CIBC's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on CIBC's forward-looking statements. CIBC does not undertake to update any forward-looking statement that is contained in this annual report.

(iii) The divestiture of CIBC's Guernsey private banking business resulted in a $22 million after-tax gain and a reduction of more than $159 million in risk-weighted assets.

(iv) The sale of CIBC's Merchant Card Services business to Global Payments Inc. in return for a 26% equity interest in the combined company resulted in a $43 million after-tax gain for the bank. CIBC continues to be an equity owner in Global Payments Inc., which has the scale to grow throughout North American markets and generate potentially higher returns than the bank's original investment. The bank's equity interest in Global Payments Inc., as at October 31, 2001, was worth $190 million more than the book value of its investment.

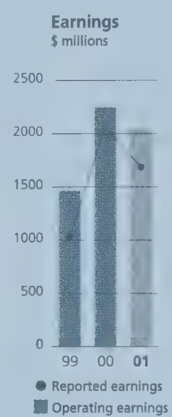
Financial results

HIGHLIGHTS

- **Total shareholder return was 63.5% for the two-year period ended October 31, 2001, versus the TSE Banks and Trust Index of 38.7%**
- **Strong Tier 1 and total capital ratios of 9.0% and 12.0%, respectively**
- **Reported ROE of 16.1%**
- **Operating ROE of 19.8%**

EARNINGS

CIBC's reported earnings were $1,686 million for the year, down $374 million from 2000. This resulted from a combination of lower revenue, reflecting weaker markets that were further challenged by the events of September 11, 2001, and higher expenses related to increased technology spending and a restructuring charge. Concurrently, CIBC benefited from a relatively lower income tax expense. Reported EPS, diluted, and reported ROE were $4.07 and 16.1%, respectively, compared with $4.84 and 20.5% in 2000.



In 2000, CIBC's reported earnings of $2,060 million were up $1,031 million from $1,029 million in 1999. Reported earnings in 2000 reflected strong revenue across all business lines due to robust capital markets and significant gains from the sales of corporate assets. As well, reported earnings in 1999 were adversely affected by a restructuring charge. In 2000, reported EPS, diluted, were $4.84 and reported ROE was 20.5%, compared with $2.22 and 9.8% in 1999.

The accompanying table adjusts reported earnings for unusual items and CIBC's investment in Amicus. Refer to page 25 for more information on operating earnings.

Operating earnings in 2001 were $2,056 million, as noted in the table, down $192 million from the prior year. The decrease reflects lower revenue and an increase in the provision for credit losses due to weaker market conditions, partially offset by reduced income taxes. Operating EPS, diluted, and operating ROE were $5.03 and 19.8%, respectively, compared with $5.30 and 22.5% in 2000.

Operating earnings in 2000 were $2,248 million, up $785 million from the prior year primarily as a result of strong markets. In 2000, operating EPS, diluted, were $5.30 and operating ROE was 22.5%, compared with $3.24 and 14.5% in 1999.

EARNINGS

$ millions, for the years ended October 31	**2001**	2000	1999
Reported earnings	**$ 1,686**	$ 2,060	$ 1,029
Less:			
Gain on sales of corporate assets(1)	**65**	260	-
Events of September 11, 2001(2)	**(4)**	-	-
Restructuring charge(3)	**(123)**	18	(242)
Bulk sale of U.S. corporate loans(4)	**(94)**	-	-
Restructured ownership of certain U.S.-based loans and leases(5)	**142**	-	-
Adjustment for tax rate changes(6)	**(66)**	-	-
Specific provision for credit losses(4) (7)	**(28)**	(143)	-
General provision for credit losses(8)	**-**	(146)	(84)
Other items(9)	**(4)**	(39)	(56)
Adjusted earnings	**1,798**	2,110	1,411
Less:			
Net impact of Amicus(10)	**(258)**	(138)	(52)
Operating earnings	**$ 2,056**	$ 2,248	$ 1,463
Reported EPS, diluted	**$ 4.07**	$ 4.84	$ 2.22
Adjusted EPS, diluted	**$ 4.36**	$ 4.96	$ 3.12
Operating EPS, diluted	**$ 5.03**	$ 5.30	$ 3.24
Reported return on equity	**16.1%**	20.5%	9.8%
Adjusted return on equity	**17.2%**	21.0%	13.9%
Operating return on equity	**19.8%**	22.5%	14.5%

FOOTNOTES TO THE TABLE

(1) Gains in 2001 included the sale of CIBC's two off-shore banking subsidiaries, CIBC Fund Managers (Guernsey) Limited and CIBC Bank and Trust Company (Channel Islands) Limited, collectively the Guernsey private banking business, for an after-tax gain of $22 million (pre-tax $22 million) and the sale of the Merchant Card Services business for an after-tax gain of $43 million (pre-tax $58 million). The after-tax gains in 2000 included $143 million (pre-tax $203 million) from the sale of CIBC's portfolio of various wholly-owned office properties; $97 million (pre-tax $97 million) from the sale of the bank's property and casualty insurance companies; and $20 million (pre-tax $28 million) from the sale of CIBC Suisse S.A.

(2) In the fourth quarter of 2001, CIBC recognized an after-tax expense of $4 million (pre-tax $7 million, net of insurance recovery of $11 million) in respect of losses and incremental expenses incurred for certain of CIBC's New York operations located at One World Financial Center, in close proximity to the World Trade Center.

(3) As part of a bank-wide cost-reduction initiative, CIBC recorded an after-tax restructuring charge of $123 million (pre-tax $207 million) during the fourth quarter of 2001. The $18 million after-tax restructuring credit (pre-tax $31 million) in 2000 represented an adjustment of the 1999 after-tax restructuring charge of $242 million (pre-tax $426 million).

(4) In the fourth quarter of 2001, CIBC completed a sale of $848 million of non-investment grade loans and $195 million of undrawn credit commitments. CIBC recorded an after-tax specific provision for credit losses of $28 million (pre-tax $48 million) related to the loans and incurred an after-tax loss on sale of $94 million (pre-tax $162 million).

(5) During the fourth quarter, the bank restructured ownership of certain U.S.-based loans and leases, resulting in a reduction of income tax expense of $142 million.

(6) During the third quarter of 2001, it was determined that the provincial income tax rate decreases proposed in the May 9, 2001 Ontario Budget and the July 30, 2001 British Columbia Budget Update were substantively enacted. As a result, CIBC recognized a $21 million charge to income tax expense in the quarter, thereby reducing its future income tax assets, in recognition of the fact that temporary differences will reverse when the rates are lower. A $45 million adjustment was recognized in the first quarter of 2001, resulting from the federal income tax rate decreases proposed in the October 18, 2000 federal government Economic Statement and Budget Update.

(7) In 2000, CIBC recorded an after-tax additional specific provision of $143 million (pre-tax $250 million) for credit losses related to government-sponsored student loans.

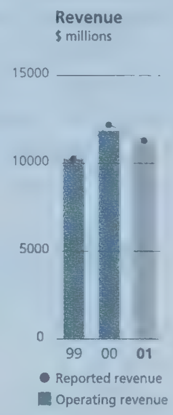
(8) In 2000 and 1999, CIBC recorded an after-tax general provision for credit losses of $146 million (pre-tax $250 million) and $84 million (pre-tax $150 million), respectively.

(9) In the fourth quarter of 2001, CIBC incurred after-tax costs of $4 million (pre-tax $8 million) related to the bank's restructured ownership of certain U.S.-based loans and leases. In 2000 and 1999, CIBC recorded after-tax costs of $12 million (pre-tax $20 million) and $25 million (pre-tax $45 million), respectively, for Oppenheimer acquisition-related costs. Other after-tax costs relate to the bank's New York premises consolidation of $27 million (pre-tax $50 million) in 2000, and a $31 million charge (pre-tax $54 million) in 1999 for the revision in the estimated useful life of certain technology assets that was mainly attributable to Electronic Commerce.

(10) Amicus includes the co-branded retail electronic banking businesses, including President's Choice Financial (Loblaw Companies Limited), Marketplace Bank (Winn-Dixie Stores, Inc.) and Safeway SELECT Bank (Safeway Inc.).

REVENUE

Reported revenue in 2001 was $11,306 million on a taxable equivalent basis (TEB), down $904 million from the prior year. Revenue for the year included gains from the sale of CIBC's Merchant Card Services business ($58 million) and the Guernsey private banking business ($22 million). These gains were more than offset by the $162 million loss associated with the bulk sale of the U.S. corporate loans. In 2000, gains of $328 million related to the sales of certain office properties ($203 million), the property and casualty insurance companies ($97 million) and CIBC Suisse S.A. ($28 million).



REVENUE

$ millions, for the years ended October 31	**2001**	2000	1999
Reported revenue (TEB)	**$ 11,306**	$ 12,210	$ 10,265
Less:			
Gain on sales of corporate assets	**80**	328	-
Bulk sale of U.S. corporate loans	**(162)**	-	-
Amicus	**100**	36	12
Operating revenue (TEB)	**$ 11,288**	$ 11,846	$ 10,253

In 2001, operating revenue was $11,288 million, down $558 million from 2000. Electronic Commerce reported strong revenue growth in mortgages and cards, while Retail and Small Business Banking experienced revenue increases due to deposit volume growth, increased lending spreads and higher treasury revenue, partially offset by lower deposit spreads. These gains were more than offset by revenue declines in Wealth Management and CIBC World Markets, reflecting weaker market conditions and the effects of September 11, 2001. For the year, Wealth Management operating revenue was down mainly as a result of lower trading volumes and the loss of ongoing revenue from exited businesses. CIBC World Markets operating revenue was reduced from 2000 primarily as a result of lower U.S. investment banking revenue and a decrease in net merchant banking gains. However, revenue benefited in 2001 from increased treasury revenue as a result of being well-positioned for various interest rate decreases during the 12-month period.

NON-INTEREST EXPENSES

Reported non-interest expenses were $8,226 million in 2001, up $130 million from the prior year. This was primarily the result of increased Amicus spending and the restructuring charge related to the bank's cost-reduction program, partially offset by lower revenue-related expenses. Details of the cost-reduction program are outlined below.

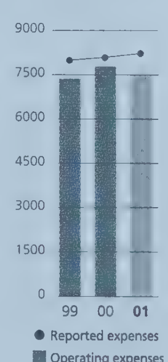
NON-INTEREST EXPENSES

$ millions, for the years ended October 31	2001	2000	1999
Reported non-interest expenses	**$ 8,226**	$ 8,096	$ 7,998
Less:			
Events of September 11, 2001	**7**	-	-
Restructuring charge	**207**	(31)	426
Other items(1)	**8**	70	99
Amicus	**505**	267	101
Operating non-interest expenses	**$ 7,499**	$ 7,790	$ 7,372

(1) In the fourth quarter of 2001, CIBC incurred a pre-tax cost of $8 million related to the restructured ownership of certain U.S.-based loans and leases. In 2000 and 1999, CIBC recorded pre-tax costs of $20 million and $45 million, respectively, for Oppenheimer acquisition-related costs. Other pre-tax costs relate to the bank's New York premises consolidation of $50 million in 2000, and a $54 million charge in 1999 for the revision in the estimated useful life of certain technology assets that was mainly attributable to Electronic Commerce.

Operating non-interest expenses were $7,499 million in 2001, down $291 million from the prior year mainly due to lower incentive compensation and variable expenses resulting from softening economic conditions. This was partially offset by increased technology spending and professional fees associated with ongoing strategic initiatives. The operating efficiency ratio was 66.4% in 2001, compared to 65.8% in the prior year.

Non-interest expenses
$ millions



In 2001, on a prospective basis, CIBC adopted a new measure – regular workforce headcount – to replace full-time equivalent employees (FTE) that was previously reported. The regular workforce headcount measure comprises regular full-time and part-time employees, base salaried plus commissioned employees and 100% commissioned employees. The FTE measure was based on the regular workforce headcount plus certain other employees, including casual and contract employees. At October 31, 2001, CIBC had a regular workforce headcount of 42,315.

COST-REDUCTION PROGRAM

In 2001, CIBC announced a bank-wide cost-reduction program in response to current economic conditions. The program, which includes staff rationalization of approximately 2,300 positions, as well as other cost-related actions, is an initiative to reduce expenses given the uncertain economic outlook. The cost-reduction program will be achieved through rationalization and consolidation of activities across the bank.

Electronic Commerce restructuring plans include the reorganization of certain areas within Amicus, CIBC's co-branded electronic retail banking business, and staff rationalization within Technology and Operations to align with changes elsewhere within the bank.

In Retail and Small Business Banking, restructuring initiatives include consolidation of branches and rationalization of the business line's support functions to take advantage of synergies across the organization.

In Wealth Management, initiatives related to restructuring include leveraging core businesses, streamlining operating structures, reducing complexities and increasing operational efficiencies. Part of this focus has been on reducing staffing levels.

CIBC World Markets made selective reductions in costs and headcount to remove excess capacity in the face of more challenging markets, as well as exiting non-strategic activities.

Further details on the 2001 restructuring provision and related activities are provided in Note 27 to the consolidated financial statements.

Restructuring initiatives under the 1999 cost-reduction program are now completed. Activities under this plan included rationalization of the delivery network for retail and insurance customers, exiting direct life insurance and other unprofitable lines of business, consolidation of global capital market activities, and discontinuation of non-core product offerings in the U.S.

EVENTS OF SEPTEMBER 11, 2001

CIBC's New York operations located at One World Financial Center, in close proximity to the World Trade Center, were directly affected by the events of September 11, 2001. Losses and incremental expenses related specifically to these events, net of insurance recovery of $11 million, amounted to $7 million. The fixed assets at One World Financial Center sustained considerable damage; however, primarily due to the inaccessibility of the premises, the amount of any losses for destroyed or damaged assets was not determinable at the time of preparation of the annual report. Any losses determined in the future are expected to be substantially covered by insurance.

Management is in the process of compiling information in support of a claim for lost business income under a business interruption insurance policy. Insurance recoveries under this policy, and any amounts receivable under various government incentive and other assistance programs, will be recorded in future periods.

As a result of the events of September 11, 2001, CIBC's operations at One World Financial Center were relocated to the bank's other major premises in midtown Manhattan, as well as to other temporary locations in the vicinity. Management has not made a decision whether to return to One World Financial Center once it becomes suitable for occupancy. The financial impact of this decision was not determinable at the time of preparation of the annual report.

TAXES

CIBC's reported income tax expense for the year was $92 million, down substantially from 2000 due to a combination of a reduced proportion of higher taxed income from North American operations, reflecting market conditions, and the restructured ownership of certain U.S.-based loans and leases. The result was a reduced tax expense and lower effective tax rate for CIBC in 2001. See page 44 for a more detailed discussion.

ASSETS

CIBC's assets were $287.5 billion at October 31, 2001, up $19.8 billion from the prior year. This was primarily due to growth in securities held for investment ($7.0 billion), residential mortgages ($6.8 billion) and securities borrowed or purchased under resale agreements ($3.6 billion), partially offset by decreases in securities held for trading ($1.4 billion).

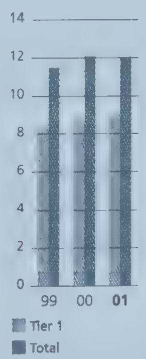
The unrealized excess of market value over book value of CIBC's investment portfolio totaled $1.53 billion at year-end.

Gross impaired loans were $1.70 billion at October 31, 2001, comparable to the prior year. CIBC's total allowance for credit losses, which includes specific and general allowances, was $2.30 billion at year-end, and exceeded gross impaired loans by $592 million, compared to $575 million at October 31, 2000.

The specific provision for credit losses was $1,100 million for the year, up $130 million from $970 million in 2000. The specific provision was increased by $101 million in the fourth quarter in response to management's assessment of the portfolio in light of the worsening economic conditions in North America. In addition, a $48 million specific provision related to the bulk sale of the U.S. corporate loans was taken in the fourth quarter. The specific provision in 2000 included a $250 million additional provision for credit losses related to government-sponsored student loans, resulting in a total provision for student loans of $365 million for the year. Excluding this provision of $365 million, the total specific provision for credit losses increased by $495 million in 2001 as a result of the general decline in credit conditions experienced since last year.

As at October 31, 2001, the general allowance remained at $1.25 billion, unchanged from the prior year.

Regulatory capital ratios
%



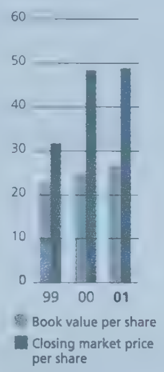
CAPITAL MANAGEMENT

CIBC's total capital for regulatory purposes was $15.6 billion at October 31, 2001, down $0.4 billion from year-end 2000. Tier 1 and total regulatory capital ratios were 9.0% and 12.0%, respectively, at October 31, 2001, compared with 8.7% and 12.1% a year ago.

SHAREHOLDER VALUE

CIBC's common share price was $48.82 at October 31, 2001, compared to $48.40 at the end of 2000.

Book value and market price per share
$



Dividends were $1.44 per share for the year, which represents a dividend yield of 2.9% based on the closing share price for the year. Book value was $26.44 per share, up from $25.17 per share in 2000.

Under a normal course issuer bid that began December 20, 2000, CIBC purchased 16.9 million common shares for cancellation during the year for an aggregate consideration of $867 million, representing an average price of $51.17 per share. The normal course issuer bid ends December 19, 2001. On October 30, 2001, CIBC announced its intention to commence another share repurchase program following the end of its current program. Subject to regulatory approval, the bank intends to purchase for cancellation up to 5% of CIBC's outstanding common shares. The purpose is to maintain an efficient capital structure and enhance long-term value for common shareholders.

OUTLOOK

The year 2001 proved challenging as a result of weaker economic conditions and the events of September 11. While economic prospects for 2002 remain uncertain, forecasts indicate that, barring any further unforeseen developments, the monetary and fiscal stimuli undertaken in varying degrees in the United States and Canada should help bring about a stronger economic environment in the latter half of 2002. In light of this, CIBC remains focused on its ongoing strategy of controlling risk, reducing expenses and re-directing capital to higher-return, lower-volatility investments.

We have four strategic business lines – Electronic Commerce, Technology and Operations (Electronic Commerce); Retail and Small Business Banking; Wealth Management; and CIBC World Markets. These business units are supported by three functional groups – Treasury, Balance Sheet and Risk Management; Administration; and Corporate Development.

Business line review

The CIBC organization

Revenue (% of total)
(based on operating results, for the year-e[nded] October 31, 2001. See pages 20 and 21)

BUSINESS LINES

ELECTRONIC COMMERCE
Is the technology engine for CIBC, comprising:

- Business services and technology and operations functions
- Business activities, including mortgages, cards, insurance, and direct-to-consumer banking
- New business initiatives, including Amicus, CIBC's co-branded electronic retail banking business, and cibc.com

ELECTRONIC COMMERCE **16.2%**

RETAIL AND SMALL BUSINESS BANKING
Provides financial services – lending, deposit and investment products – through CIBC branches, ABM network, Internet banking and telephone banking to:

- Approximately 5.9 million individual retail customers and 460,000 small business customers in Canada
- Approximately 350,000 retail and commercial customers in the Caribbean

RETAIL AND SMALL BUSINESS BANKING **23.4%**

WEALTH MANAGEMENT
Comprises a sales force of more than 2,900 investment professionals who help individual clients achieve their financial goals. This business unit delivers:

- Full-service, online and discount brokerage, mutual funds and GICs
- Global private banking and trust, investment management services, and banking and credit services

WEALTH MANAGEMENT **20.3%**

CIBC WORLD MARKETS
Delivers integrated financial solutions to investment and corporate banking clients throughout North America, with growing capabilities in Europe and niche capabilities in Asia. Areas of specialization are:

- Investment and corporate banking, including mergers and acquisitions
- Research, sales and trading of securities and derivatives
- Merchant banking and commercial banking

CIBC WORLD MARKETS **37.5%**

FUNCTIONAL GROUPS

CORPORATE AND OTHER includes the three functional groups that provide infrastructure support services, with revenue and expenses generally allocated to the business lines. These functional groups are:

- Treasury, Balance Sheet and Risk Management – manages CIBC's balance sheet resource allocation process to ensure strong, effective capitalization across legal entities, and provides asset/liability, funding, liquidity, cash and collateral management. The group also identifies, measures, monitors and controls CIBC's exposure to credit, market, liquidity and operational risk.
- Administration – provides governance and support services to the business lines to ensure that CIBC, its businesses and subsidiaries operate in an efficient, controlled and integrated manner.
- Corporate Development – stimulates an owner-manager mindset among business unit leaders and seeks ways to create long-term value.

How CIBC reports

CIBC is organized into four business lines that are segmented on the basis of products and services provided or delivery channels used. The four business lines are: Electronic Commerce; Retail and Small Business Banking; Wealth Management; and CIBC World Markets. These business lines are supported by three functional groups: Treasury, Balance Sheet and Risk Management; Administration; and Corporate Development.

CIBC's Manufacturer / Customer Segment / Distributor Management Model is used to measure and report the results of operations of the four business lines. Under this model, internal payments for sales commissions and distribution service fees are made among the business lines. As well, revenue and expenses relating to certain activities, such as the payments business described under Electronic Commerce, are fully allocated to other business lines. In addition, the revenue, expenses and balance sheet resources of the three functional groups are generally allocated to the four business lines. Corporate and Other comprises these three functional groups, as well as CIBC Mellon's custody business and other revenue and expense items not directly attributable to the four business lines. Management uses this model to better understand the economics of customer segments, products and delivery channels.

The model uses certain estimates and allocation methodologies in the preparation of segmented financial information. In 2001, CIBC continued to refine these estimates and allocation methodologies. Key changes included refinements to customer segmentation and cost recovery methodologies, which have primarily affected Imperial Service in the Wealth Management business line, and both retail banking and small business banking in the Retail and Small Business Banking business line. Prior year segmented financial information has been restated to conform with the presentation used in 2001.

In 2001, the sales and service fees paid to segments for certain products were renegotiated among the business lines. Prior year financial information was not restated to reflect these fee changes.

OPERATING PERFORMANCE MEASUREMENTS

The principal measurements used by CIBC to assess business line performance include: operating earnings, return on equity, which is based on risk-adjusted (economic) capital, and economic profit. These measurements are outlined in more detail in the following sections and are provided as part of the business line performance reviews on pages 26 to 37.

Operating earnings

Management uses operating earnings to review and analyze the performance of its business lines. Operating earnings exclude items that, in management's opinion, are either unusual in nature, or that relate to substantial strategic investments (e.g. Amicus), thereby allowing for the analysis of business trends. Examples of excluded items are the impact of gains (or losses) on sales of non-strategic assets, restructuring costs within each business line and, in the case of Electronic Commerce, amounts related to Amicus. These items are explained in more detail in each of the business line reviews. Business line results show both reported and operating earnings. The discussions on pages 26 to 37 refer to operating earnings. In addition, further details on the bank's business lines are provided in Note 23 to the consolidated financial statements.

Risk-adjusted return on capital (RAROC)

RAROC is a risk-adjusted profitability measurement and management framework for measuring risk-adjusted financial performance and for providing a consistent view of profitability across all businesses. RAROC is defined as the ratio of risk-adjusted return to economic capital.

Economic capital is attributed on the basis of three risk factors: market, credit and operational risk. The fundamental approaches to managing these risk factors are described in the management of risk and capital section. The use of risk-based capital strengthens the risk management discipline within CIBC's business lines, as the methodologies employed quantify the level of risk within each business line and attribute capital accordingly. This process assists CIBC in achieving its objectives of controlled growth and returns commensurate with the risk taken.

Economic capital methodologies can be applied across products, clients, lines of business and other segmentations, as required, to measure certain types of performance. The resulting capital attributed to each business line provides the financial framework to understand and evaluate sustainable performance and to actively manage the composition of the business portfolio. This enables CIBC to increase shareholder value by reallocating capital to those businesses with high strategic value and sustainable returns, or with long-term growth and profitability potential.

Business line return on equity is also measured using risk-adjusted (economic) capital, which, in many instances, may be different from legal capital. The difference between economic capital allocated to the business lines and legal capital is held in Corporate and Other. Periodically, enhancements are made to CIBC's economic capital allocation model as part of the bank's risk measurement process. These changes are made prospectively.

Economic profit

Economic profit elaborates on RAROC by incorporating the cost of equity capital, which is based on the market required rate of return from holding CIBC's equity instruments, to assess whether shareholder wealth is being created. Economic profit measures the return generated by each business in excess of the bank's cost of equity capital. Shareholder wealth is increased if capital can be employed at a return in excess of the bank's cost of equity capital. Similarly, when returns do not exceed the cost of equity capital, then shareholder wealth is diminished and a more effective deployment of that capital is sought.

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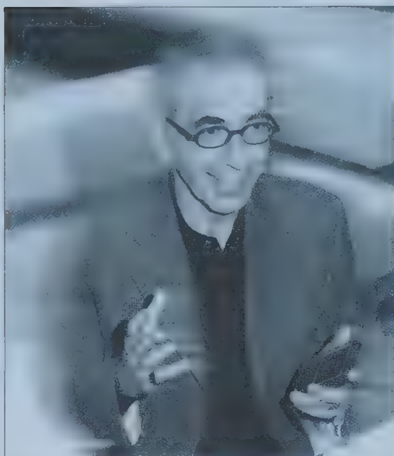


DAVID MARSHALL
Vice-Chairman

2001 RESULTS

- **Achieved operating ROE of 44.5% versus target of 17% to 20%**
- **Added over 444,000 new Amicus customers**
- **Introduced two new cibc.com ventures**

ONGOING OBJECTIVES

- **Achieve 25% to 30% operating ROE**
- **Add at least one million new Amicus customers in the two-year period ending October 31, 2002**
- **Bring to market two new cibc.com ventures annually**

OUR PRIORITIES

- **Significantly grow the customer base of Amicus**
- **Deliver leading-edge, technology-based solutions to CIBC businesses**
- **Maintain market leadership position in cards**
- **Continue to capitalize on market opportunities in mortgages by leveraging multi-channel, multi-brand strategy**

Electronic Commerce

Electronic Commerce comprises card products, mortgages, insurance and the development of leading-edge technology businesses either directly or through electronic banking alliances (e.g. Amicus) to generate new revenue opportunities. The business also manages CIBC's technology and operations function, the payments business (chequing, savings and current accounts) and electronic banking services (telephone banking, Internet banking and ABMs), for which revenue and expenses are fully allocated.

CARDS

CIBC was again Canada's number-one bank credit card provider in 2001 by the measures that drive profitability: purchase volumes and credit card balances. Average balances under administration increased 21% to $8.4 billion and market share of purchase volumes increased 3% to 32%. CIBC is also the leading issuer of premium credit cards, based on purchase volumes.

Over the past 12 months, we have managed expenses carefully and reduced net fraud losses to one of the lowest levels of any Canadian bank – all with a positive effect on returns.

Our success continues to be based on our proactive approach to customer acquisition and our co-branding strategy that enables us to offer a suite of cards that help customers accumulate travel miles and loyalty reward points.

In addition to growth, our focus in this business, as throughout the bank, is to direct capital and resources to those areas where CIBC has a long-term, sustainable competitive advantage. Consistent with this focus, we sold Merchant Card Services, our VISA and debit merchant services business, to Global Payments Inc. in the second quarter, in return for a 26% equity interest in the combined company and a 10-year marketing alliance. We now have ownership in a North American platform with almost three times the processing capability. CIBC earned a $43 million after-tax gain on the sale and our equity interest was worth approximately $190 million more than the book value of our investment, as at October 31, 2001.

MORTGAGES

CIBC Mortgages Inc. had a very successful year. New residential mortgage originations reached a record high of $18 billion and market share increased to a new CIBC high of 13%. Our success was led by both product innovation and distribution strength.

Our Better Than Prime Mortgage – which offers 1.01% below prime for the first nine months of a residential mortgage and 0.25% below prime thereafter – continued to be a winner with customers. Better than Prime Mortgages now represent 22% of all our new volume in residential mortgages. CIBC continued to benefit from our multi-brand, multi-channel distribution strategy, with mortgages being sold in CIBC branches and through a national sales force. Mortgages are also marketed under President's Choice Financial and other private-label brands.

innovation
+ accountability

While market conditions were favourable for all mortgage companies, CIBC's residential mortgages under administration increased 13% from 2000, almost triple the average growth rate of the market. This business has also been vigilant in maintaining costs in a growth environment and, in partnership with Treasury, Balance Sheet and Risk Management, has reduced the level of economic capital necessary to run the business.

In 2002, we will continue to build on momentum established this year in growing revenue and market share in this core business.

AMICUS

During 2001, our continued build of Amicus resulted in the addition of more than 37,000 new customers per month on average and over 444,000 new customers during the year, up 97% from the previous year. The total number of registered Amicus customers in North America was approximately 901,000 at year-end.

Within Canada, our model of establishing pavilions within the best retail grocery stores in the country is proving successful. Under our strategic alliance with Loblaw Companies Limited, we now have more than 200 pavilions operating under the President's Choice Financial brand across Canada. Our customer base grew 76% during the year and funds under management increased by 115%. A much higher than expected number of Loblaw customers have become President's Choice Financial customers. And, customer satisfaction ratings continue to be far above industry benchmarks, in excess of 75%.

Next year, we will turn our attention to expanding the products and services we provide our growing Canadian customer base. Our goal is to continue to capitalize on our customers' high degree of satisfaction with our convenient, no-fee daily banking offer.

In the U.S., we focused on our ambitious expansion plan in 2001, adding more than 170 pavilions in Winn-Dixie Stores, Inc. and Safeway Inc. grocery stores.

The early results from our U.S. operations are very encouraging. Our focus moving forward will be to prove our model, just as we have in Canada, and we will make strengthening the customer relationships we have established in the U.S. a key priority in 2002. We will also look at strategic alternatives to fund our growth, including potential alliances. This will allow us to manage our investment in this key growth initiative in a way that is consistent with our performance commitment to our shareholders.

ELECTRONIC TRANSACTIONS

Responding to the clear customer preference for simple and convenient banking solutions, CIBC continued to expand its telephone and Internet banking services and delivery network during the year.

We increased our ABM network across North America, introduced new wireless-banking technologies and enhanced speech recognition capabilities at our call centres, making it even easier for customers to access banking and mortgage services.

By year-end, the number of Internet banking customers had risen to 1.3 million, up 63% over 2000. The number of telephone banking customers grew to 3.1 million, an increase of 27% over the previous year.

CIBC.COM

In late October, CIBC entered into an agreement with TELUS Corporation and VeriSign, Inc. to establish a new, national e-commerce trust services provider. The new entity will provide: website security to enable secure e-commerce; enterprise authentication, which leverages VeriSign's public key infrastructure to issue and manage digital credentials; and online merchant payment services, which facilitate settlement of transactions between buyers and sellers.

As part of an alliance of leading industry companies, CIBC supported the launch of Procuron Inc., one of Canada's largest business-to-business electronic marketplaces. Procuron Inc. offers businesses aggregated purchasing and automated order management capability in an efficient, integrated system.

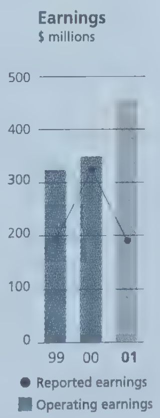
Financial results – Electronic Commerce

EARNINGS

Electronic Commerce operating earnings in 2001 were $456 million, up $108 million from the prior year due to strong revenue growth in mortgages and cards, and lower expenses associated with the exited property and casualty insurance and Merchant Card Services businesses. This was offset in part by the higher provision for credit losses in the cards business, reflecting volume growth and softening economic conditions.

In 2000, Electronic Commerce operating earnings were $348 million, up $25 million from 1999 as a result of revenue growth in cards and lower expenses, partially offset by an increased provision for credit losses.

Reported earnings can be found in the accompanying table.



EARNINGS – ELECTRONIC COMMERCE

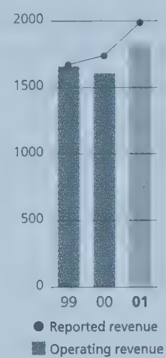
$ millions, for the years ended October 31	2001	2000	1999
Total revenue (TEB)	**$ 1,986**	$ 1,740	$ 1,672
Non-interest expenses	**1,450**	1,151	1,250
Provision for credit losses	**279**	169	103
Net income before income taxes	**257**	420	319
Income taxes and non-controlling interests	**60**	97	120
Reported earnings	**197**	323	199
Less:			
Gain on sales of corporate assets	**43**	97	-
Restructuring charge	**(44)**	16	(44)
Revision in the estimated useful life of certain technology assets	**-**	-	(28)
Net impact of Amicus	**(258)**	(138)	(52)
Operating earnings	**$ 456**	$ 348	$ 323
Reported efficiency ratio	**73.0%**	66.2%	74.8%
Reported return on equity (ROE)	**16.5%**	22.8%	12.4%
Reported economic profit	**$ 59**	$ 141	$ 19
Operating efficiency ratio	**47.7%**	56.8%	61.7%
Operating ROE	**44.5%**	26.3%	21.0%
Operating economic profit	**$ 332**	$ 176	$ 143

REVENUE

Electronic Commerce operating revenue in 2001 was $1,828 million, up $221 million from the prior year as a result of improved spreads and increased volumes in mortgages and cards, as well as higher INTRIA third-party revenue. The increase was partially offset by revenue declines from exiting the property and casualty insurance and Merchant Card Services businesses.

In 2000, Electronic Commerce operating revenue was $1,607 million, down $53 million from 1999. The decrease was largely due to revenue foregone from the discontinued insurance business and lower treasury revenue, partially mitigated by growth in cards.

Revenue
$ millions



Reported revenue can be found in the table below.

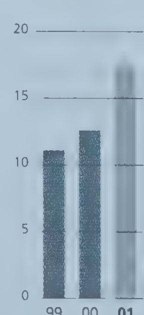
REVENUE – ELECTRONIC COMMERCE

$ millions, for the years ended October 31	2001	2000	1999
Reported revenue (TEB)			
Mortgages	**$ 491**	$ 334	$ 340
Cards	**1,128**	936	802
Insurance	**50**	245	233
Other	**317**	225	297
	1,986	1,740	1,672
Less:			
Gain on sale of Merchant Card Services business	**58**	-	-
Gain on sale of insurance companies	**-**	97	-
Amicus	**100**	36	12
Operating revenue (TEB)	**$ 1,828**	$ 1,607	$ 1,660
By business:			
Mortgages	**$ 491**	$ 334	$ 340
Cards	**1,070**	936	802
Insurance	**50**	148	233
Other	**217**	189	285
Operating revenue (TEB)	**$ 1,828**	$ 1,607	$ 1,660

Revenue details are as follows:

Mortgages includes both residential and commercial mortgages. Operating revenue was $491 million, up $157 million from 2000 due to improved spreads, a 13% increase in residential loan balances administered and gains made from mortgage sales to the Canadian Mortgage Bond program.

Residential mortgage origination volumes
$ billions



Cards comprises a portfolio of credit cards. Operating revenue was $1,070 million, up $134 million from 2000 due to increased spreads and a 21% growth in average balances under administration. The increase also reflected a 20% growth in purchase volumes and fee revenue increases, partially offset by the loss of revenue from exiting the Merchant Card Services business.

Insurance provides creditor insurance products. Operating revenue was $50 million, down $98 million from 2000 as a result of exiting the property and casualty insurance business and increased internal commissions.

Other includes electronic and self-service banking, the allocation of a portion of treasury revenue and INTRIA third-party technology and operations services. Operating revenue was $217 million, up $28 million from 2000 due to increased INTRIA third-party and treasury revenue.

EXPENSES

Operating non-interest expenses were $872 million in 2001, down $40 million from the prior year due to expense declines resulting from businesses exited, which more than offset increased spending to support growth in the mortgages and cards businesses.

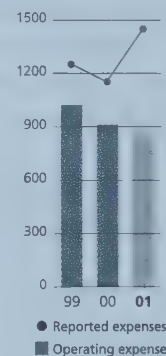
The operating efficiency ratio for 2001 was 47.7%, down from 56.8% in 2000.

In 2000, operating non-interest expenses were $912 million, down $112 million from 1999 as a result of exiting the property and casualty insurance business and cost containment initiatives.

Reported non-interest expenses can be found in the table below.

The regular workforce headcount was 16,767 at year-end.

Expenses
$ millions



NON-INTEREST EXPENSES – ELECTRONIC COMMERCE

$ millions, for the years ended October 31	2001	2000	1999
Reported non-interest expenses	**$ 1,450**	$ 1,151	$ 1,250
Less:			
Restructuring charge	**73**	(28)	77
Revision in the estimated useful life of certain technology assets	**-**	-	48
Amicus	**505**	267	101
Operating non-interest expenses	**$ 872**	$ 912	$ 1,024

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $279 million in 2001, up $110 million from the prior year, reflecting volume growth in the cards business and softening economic conditions.

In 2000, the provision for credit losses was $169 million, up $66 million from 1999 primarily as a result of volume growth in the cards business.

AMICUS

In 2001, the net loss after-tax for Amicus was $258 million, up $120 million from the prior year. The Amicus net loss after-tax in 2000 was $138 million, up $86 million from 1999. Higher spending to support business growth accounted for these increases.

AVERAGE ASSETS

Average assets in 2001 were $86.9 billion, up from $77.4 billion in the prior year as a result of growth in the mortgages and cards businesses.

Retail and Small Business Banking

Retail and Small Business Banking (RSBB) provides financial services to approximately 5.9 million retail and more than 460,000 small business customers in Canada, as well as 350,000 retail and commercial customers in the Caribbean. We offer these services through CIBC's extensive branch network and through rapidly expanding non-traditional channels, such as telephone banking, Internet banking, ABMs and debit cards.

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JILL DENHAM
Senior Executive Vice-President

Despite a declining interest rate environment, CIBC's retail and small business operations experienced solid growth, with operating earnings up $49 million, or 13%, to $429 million.

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This year, we achieved all but one of our targets. We surpassed our ROE target and credit quality in our loan business was strong. We made significant progress toward our goal of becoming the leading bank for small business customers, with a solid 8% increase in small business customer loyalty, the rollout of dedicated business advisory teams and the continued expansion of our bizSmart offering. Although our overall customer loyalty improved marginally, we are not on track to meet our goal of improving customer loyalty by 10% by the year 2002. Many of the initiatives ongoing, and planned, are focused on resolving this issue.

RETAIL BANKING

Our retail banking operations continue to generate solid results, with revenue of almost $1 billion. We believe that there is opportunity for additional growth and profitability by building a strong sales culture, supported by leading-edge technology.

This year, we introduced a brand promise of Smart, Simple Solutions for all customers in Retail and Small Business Banking. A number of brand-related projects were launched in our retail network, including:

- The rollout of new equipment, telecommunications and operating systems in 559 branches.
- Expanded training for employees.
- Extended weekday hours at 150 branches and offered Saturday banking at 83 additional branches.
- A simplified account structure (e.g. Waive and Premium Growth accounts).

Also of note this year was our introduction of an enhanced branch security program, which reduced robberies by 40% during the year.

SMALL BUSINESS BANKING

In small business banking, we improved our customer loyalty ratings by 8%, according to a third-party study. A number of initiatives contributed to this improvement:

- The creation of a separate, small business banking group in 1999 to focus on the needs of small business.
- The implementation of business advisory teams in urban markets to meet the business and personal needs of small business owners.

2001 RESULTS

- **Operating ROE was 28.3% versus target of 16% to 18%**
- **Small business customer loyalty index increased by 8%**

ONGOING OBJECTIVES

- **Achieve operating ROE of 17% to 20%**
- **Improve customer loyalty**
- **Become the leading bank for small business customers**

OUR PRIORITIES

- **Drive profitable growth**
- **Increase focus on customer satisfaction**
- **Strong credit quality of the lending business**

- The introduction of Smart, Simple Credit Solutions in 2001, making it easier for small business customers to obtain financing.
- Our alliance with Wells Fargo Bank to give small business additional options for accessing credit.
- bizSmart, an initiative with The Business Depot Ltd., to offer no-fee daily banking and online services to the small business sector. At year-end, 50 bizSmart kiosks at Staples Business Depot locations were operating in five provinces across Canada.

LENDING PRODUCTS

Our emphasis on Smart, Simple Solutions extends to our lending products area, where we streamlined the application process for two key products this year. The express application process for unsecured personal lines of credit up to $25,000 offers the customer instant adjudication. The Small Business Credit Edge provides for small business borrowing needs from $10,000 to $100,000.

We also expanded disclosure of the cost of consumer borrowing to comply with new federal regulations for financial institutions, which came into effect on September 1, 2001. We now provide customers with more initial information and subsequent updates over the life of the credit arrangement. Our documentation has been revised to help customers make more informed decisions before they enter into a credit agreement.

To improve our portfolio management, we enhanced front-end adjudication and back-end collection processes. These enhancements produced positive results, as net impaired personal loans and personal lines of credit trended favourably versus the prior two years, despite the economic slowdown in 2001.

WEST INDIES

Our West Indies operations have long been successful. This year, we evaluated ways to further leverage CIBC's success in the region. As a result, we reached an agreement with Barclays Bank PLC, one of the largest financial services groups in the United Kingdom, to combine our respective retail, corporate and offshore banking operations in the Caribbean into one entity: FirstCaribbean International Bank™. The proposed transaction, subject to various approvals and conditions, is expected to close in 2002.

We believe that this new entity will have higher earnings potential than our current West Indies operation. Under the proposal, CIBC and Barclays Bank PLC will each own approximately 45% of the new entity, with the remainder to be held publicly.

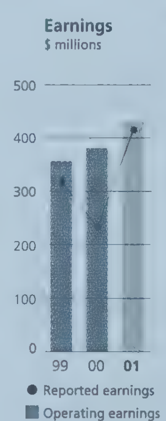
Financial results – Retail and Small Business Banking

EARNINGS

Retail and Small Business Banking (RSBB) operating earnings were $429 million for 2001, up $49 million from the prior year due to higher revenue and a lower provision for credit losses, partially offset by increased expenses.

In 2000, RSBB operating earnings were $380 million, up $24 million from 1999, despite a higher provision for credit losses. The increase was mainly the result of higher revenue in both retail and small business banking, partially offset by reduced loan spreads and lower treasury revenue.

Reported earnings can be found in the accompanying table.



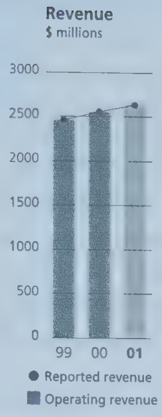
EARNINGS – RETAIL AND SMALL BUSINESS BANKING

$ millions, for the years ended October 31	2001	2000	1999
Total revenue (TEB)	$ 2,639	$ 2,557	$ 2,463
Non-interest expenses	1,927	1,739	1,741
Provision for credit losses	127	514	238
Net income before income taxes	585	304	484
Income taxes and non-controlling interests	172	72	167
Reported earnings	413	232	317
Less:			
Restructuring charge	(16)	(5)	(39)
Additional student loan provision	-	(143)	-
Operating earnings	$ 429	$ 380	$ 356
Reported efficiency ratio	73.0%	68.0%	70.7%
Reported return on equity (ROE)	27.2%	11.8%	15.1%
Reported economic profit (loss)	$ 234	$ (9)	$ 77
Operating efficiency ratio	72.0%	67.6%	67.9%
Operating ROE	28.3%	20.1%	17.1%
Operating economic profit	$ 250	$ 139	$ 116

REVENUE

RSBB reported and operating revenue for 2001 was $2,639 million, up $82 million from the prior year due to deposit volume growth, increased spreads on lending products and higher treasury revenue, partially offset by lower deposit spreads.

In 2000, RSBB reported and operating revenue was $2,557 million, up $94 million from 1999 as a result of growth in the deposit, investment and loan portfolios of both retail and small business banking.



REVENUE – RETAIL AND SMALL BUSINESS BANKING

$ millions, for the years ended October 31	**2001**	2000	1999
Reported and operating revenue (TEB)			
Retail banking	**$ 993**	$ 952	$ 877
Small business banking	**661**	681	588
West Indies	**281**	268	263
Lending products	**634**	624	650
Other	**70**	32	85
	$ 2,639	$ 2,557	$ 2,463

Revenue details are as follows:

***Retail banking** is the individual customer segment (customers other than those in Imperial Service). Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses.* Operating revenue was $993 million, up $41 million from 2000 due to higher sales and service fees, partially offset by lower deposit spreads.

***Small business banking** is the customer segment supporting small owner-operated businesses, including owners' personal holdings. Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses. Small business banking also includes bizSmart, which earns revenue from net interest spreads.* Operating revenue was $661 million, down $20 million from 2000 as a result of lower spreads and the effects of refinements to segment revenue allocations among the business lines.

***West Indies** is a full-service banking operation in eight countries servicing all customer segments through a 45-branch network and electronic delivery channels. Revenue is earned on net interest spreads and sales and service fees.* Operating revenue was $281 million, up $13 million from 2000 due to higher net interest income.

***Lending products** comprises personal (including student loans), small business and agricultural lending portfolios. Revenue is earned through net interest spreads and service fees; part of this revenue is paid to the customer segments.* Operating revenue was $634 million, up $10 million from 2000 as a result of improved loan spreads and an increase in consumer loan volumes, partially offset by a $40 million decrease in student loan revenue.

Other consists primarily of the allocation of a portion of treasury revenue. Operating revenue was $70 million, up $38 million from 2000 due to higher treasury revenue.

EXPENSES

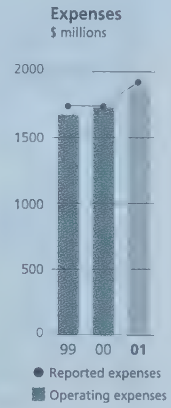
Operating non-interest expenses were $1,900 million in 2001, up $171 million from the prior year largely due to higher compensation expenses and occupancy costs, as well as infrastructure investment.

The operating efficiency ratio for 2001 was 72.0%, up from 67.6% in 2000.

In 2000, operating non-interest expenses were $1,729 million, up $56 million from 1999 as a result of higher incentive compensation based on financial results, a rise in the level of non-credit losses and increased spending on strategic initiatives.

Reported non-interest expenses can be found in the table below.

The regular workforce headcount was 13,312 at year-end.



NON-INTEREST EXPENSES – RETAIL AND SMALL BUSINESS BANKING

$ millions, for the years ended October 31	**2001**	2000	1999
Reported non-interest expenses	**$ 1,927**	$ 1,739	$ 1,741
Less:			
Restructuring charge	**27**	10	68
Operating non-interest expenses	**$ 1,900**	$ 1,729	$ 1,673

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $127 million in 2001. The specific provision in 2000 included a $250 million additional provision for credit losses related to government-sponsored student loans, resulting in a total provision for student loans of $365 million for the year. Excluding this provision of $365 million, the total provision for credit losses in 2001 was down $22 million from the prior year. Enhanced portfolio management processes within the retail and small business portfolios in 2001 contributed to the improvement.

In 2000, the provision for credit losses was $514 million, up $276 million from 1999 mainly due to the increased provision for student loans, as outlined above.

AVERAGE ASSETS

Average assets in 2001 were $47.0 billion, down $1.2 billion from the prior year.

Wealth Management

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GERRY McCAUGHEY
Senior Executive Vice-President

2001 RESULTS

- **Operating ROE was 71.4% versus target of 50.0%**
- **CIBC's GIC market share among the big six banks decreased 14 basis points to 16.5%, while overall market share declined 32 basis points to 14.9%**
- **CIBC continued to be the market leader in net sales for index mutual funds, despite a 7% decline in assets from October 2000 due to continued weaker markets**
- **Non-institutional assets under administration, including the acquisition of TAL, increased by 1.8%. Of the assets acquired from TAL, almost half were institutional**

ONGOING OBJECTIVES

- **Achieve over 50% operating ROE**
- **Increase mutual fund assets by 9%**
- **Increase total Wealth Management non-institutional assets under administration by 4%**

OUR PRIORITIES

- **Capitalize on TAL and Merrill Lynch Canada acquisitions to support and accelerate our growth objectives**
- **Continue to increase the investment management capability of our branch-based sales force**
- **Enhance products and services through additional CIBC and third-party offerings**

Wealth Management is focused on providing superior relationship-based advisory sales, service and product solutions to the full spectrum of wealth building clients. A sales force of more than 2,900 investment professionals delivers a wide selection of investment products and services to help clients achieve their financial goals – full-service brokerage in Canada and the U.S., discount brokerage, a full range of CIBC and third-party mutual funds, fixed-term investments, asset management, global private banking and trust, and a broad selection of investment and credit services through our branch-based sales force. TAL Global Asset Management Inc. delivers global investment services for institutional, private and mutual fund investors.

We are continuing to capitalize on the evolving wealth market trends in Canada. Canadian household investable assets are expected to nearly triple this decade, rising from $1.6 trillion in 2000 to almost $4.3 trillion in 2010.

We believe that, as the wealth sector grows, the most successful companies will be those with the best sales forces and the most choice for customers. Across our business, we are focused on providing clients with objective, expert investment advice, and an enhanced product offering that includes third-party products.

IMPERIAL SERVICE

Building upon the regulatory approval received last year for our branch-based financial advisers to advise on and sell securities, a total of 345 advisers in Imperial Service and Private Banking have been licensed, with an additional 185 pending registration. Our advisers provide clients with informed, comprehensive, objective advice on more than 1,200 third-party investment products, as well as the CIBC family of mutual funds. This strategy, a first among Canadian banks, plus the strength of our products and services, allows Imperial Service to meet a broad and growing spectrum of client needs. In 2002, our goal is to have 300 additional advisers earn their accreditation to recommend and sell securities.

GLOBAL PRIVATE BANKING AND TRUST

In the third quarter, we sold our Guernsey private banking business to The Bank of N.T. Butterfield & Son Limited of Bermuda. The sale of this non-core asset generated an after-tax gain of $22 million and is consistent with our ongoing strategy to focus on our North American client base.

During fiscal 2001, we increased our focus on developing and promoting our private banking offer in Canada. We will continue to build this capability in 2002 by enhancing client relationships with an emphasis on personalized service, for both clients and their specialized advisers, to ensure all their future financial needs are met.

PRIVATE CLIENT AND ASSET MANAGEMENT

CIBC Wood Gundy, CIBC's Canadian full-service brokerage operation, continued to focus during the year on growing fee-based asset management programs. Our Investment Advisory Service increased net assets by $295 million, or 212%, in 2001.

We also placed increased focus on fee-based asset management programs within CIBC Oppenheimer, CIBC's U.S.-based full-service brokerage operation. Net sales were $2,014 million, a 24% increase over 2000.

Following fiscal year-end, CIBC reached a definitive agreement with Merrill Lynch Canada Inc. to acquire its retail brokerage, asset management and Canadian securities services businesses. The Merrill Lynch Canada retail brokerage business will be combined with CIBC Wood Gundy to form one of the top private client brokerage businesses in Canada. The combined entity will operate under the CIBC Wood Gundy

name and will have a retail sales force of more than 1,600 financial consultants, managing more than $85 billion in assets for clients across the country. The transaction is subject to regulatory approval.

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The asset management transaction involves the acquisition of Merrill Lynch Investment Managers Canada Inc., manager of 41 Merrill Lynch mutual funds, and is also subject to regulatory approval and client notification.

The transaction is aligned with our strategic focus to build our Wealth Management advisory sales force capabilities. It is also an excellent fit for CIBC Wood Gundy, as we continue to enhance our advisory offer.

WEALTH PRODUCTS

We acquired the remaining shares of TAL Global Asset Management Inc. (TAL) to gain 100% ownership during the year, an important step in growing our wealth management business and providing the foundation for future expansion. TAL is one of Canada's leading investment management firms, managing more than $54 billion in assets, including CIBC's mutual and pooled funds. Operations are continuing under the TAL name.

CIBC ranked second in mutual fund net sales among all Canadian mutual fund companies for fiscal 2001 and gained 63 basis points in mutual fund industry market share for the year. CIBC also continued to rank first in index fund net sales for fiscal 2001.

Personal Portfolio Services, Canada's largest discretionary investment management offer, was converted to a multi-manager approach to capitalize on the expertise of a variety of managers and a full spectrum of investment styles, including indexing. Total assets under administration are $5.9 billion.

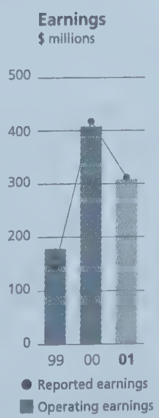
Financial results – Wealth Management

EARNINGS

EARNINGS – WEALTH MANAGEMENT

$ millions, for the years ended October 31	2001	2000	1999
Total revenue (TEB)	**$ 2,316**	$ 2,741	$ 2,184
Non-interest expenses	**1,920**	2,093	2,002
Provision for credit losses	**-**	1	14
Net income before income taxes	**396**	647	168
Income taxes	**85**	213	18
Reported earnings	**311**	434	150
Less:			
Gain on sales of corporate assets	**22**	20	-
Restructuring charge	**(20)**	6	(30)
Operating earnings	**$ 309**	$ 408	$ 180
Reported efficiency ratio	**82.9%**	76.4%	91.7%
Reported return on equity (ROE)	**72.0%**	74.1%	22.5%
Reported economic profit	**$ 258**	$ 356	$ 72
Operating efficiency ratio	**82.3%**	77.6%	89.2%
Operating ROE	**71.4%**	69.7%	27.2%
Operating economic profit	**$ 255**	$ 331	$ 102

Wealth Management operating earnings were $309 million in 2001, down $99 million from the prior year. This was due to lower revenue on retail trading activities, resulting from weaker market conditions that were further challenged by the events of September 11, 2001. The decrease was partially offset by improved customer segment profitability that resulted from product volume increases, and revenue and expense allocations renegotiated during the year.



In 2000, Wealth Management operating earnings were $408 million, up $228 million from 1999 due to increased revenue reflecting the robust market conditions and overall business growth experienced last year.

Reported earnings can be found in the accompanying table to the left.

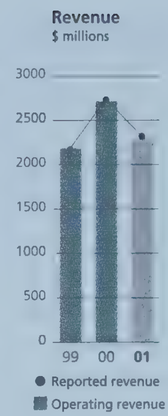
REVENUE

Wealth Management operating revenue in 2001 was $2,294 million, down $419 million from the prior year as a result of lower annual incentive fees and trading volumes associated with the weaker markets of 2001. Also, the loss of ongoing revenue resulting from the sales of the Guernsey private banking business in the third quarter and CIBC Suisse S.A. in the fourth quarter of 2000 contributed to the overall decline in revenue.

REVENUE – WEALTH MANAGEMENT

$ millions, for the years ended October 31	2001	2000	1999
Reported revenue (TEB)			
Imperial Service	**$ 627**	$ 558	$ 530
Private client investment and asset management	**1,051**	1,430	1,078
Global private banking and trust	**145**	191	149
Wealth products	**412**	513	344
Other	**81**	49	83
	2,316	2,741	2,184
Less:			
Gain on sale of Guernsey private banking business	**22**	-	-
Gain on sale of CIBC Suisse S.A.	**-**	28	-
Operating revenue (TEB)	**$ 2,294**	$ 2,713	$ 2,184
By business:			
Imperial Service	**$ 627**	$ 558	$ 530
Private client investment and asset management	**1,051**	1,430	1,078
Global private banking and trust	**123**	163	149
Wealth products	**412**	513	344
Other	**81**	49	83
Operating revenue (TEB)	**$ 2,294**	$ 2,713	$ 2,184

In 2000, Wealth Management operating revenue was $2,713 million, up $529 million from 1999 due to a combination of factors. These included higher than normal annual incentive fees earned on risk-free participation in the profits of investment partnerships, and higher trading volumes that reflected favourable market conditions.



Reported revenue can be found in the table on the previous page.

Revenue details are as follows:

Imperial Service *is the customer segment offering financial advice to CIBC's high-value clients. Specially trained financial advisers support the financial planning and product fulfillment needs of these clients. Revenue is earned primarily from sales and service fees paid by CIBC's product groups.* Operating revenue was $627 million, up $69 million from 2000 as a result of business volume increases, revenue allocations renegotiated during the year and the effects of refinements to customer segment revenue allocations among the business lines.

Private client investment and asset management *generates fees and commissions from full-service retail brokerage, providing equity and debt investments, mutual fund products, asset management services and advisory and financial planning services to individuals in Canada and the U.S.* Operating revenue was $1,051 million, down $379 million from 2000, resulting from lower trading volumes due to weaker markets in 2001. Also contributing to the decrease was the higher than normal annual incentive fees earned on risk-free participation in the profits of investment partnerships during the prior year.

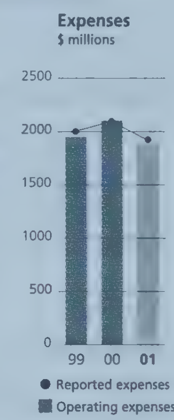
Global private banking and trust *provides a comprehensive range of global solutions, including investment management, trusts, private banking and global custody, to meet the financial management needs of individuals, families and corporations with significant financial resources.* Operating revenue was $123 million, down $40 million as a result of foregone revenue related to the exit of the Guernsey private banking business and CIBC Suisse S.A., partially offset by increased business volumes.

Wealth products *includes mutual funds, investment management services, online and discount brokerage services and GICs. These investment products are developed and distributed to retail, small business and Imperial Service customers.* Operating revenue was $412 million, down $101 million from 2000 due to lower discount brokerage trading volumes, narrowing GIC net interest margins and increases in sales and service fees paid to customer segments.

Other *consists primarily of the allocation of a portion of treasury revenue.* Operating revenue was $81 million, up $32 million from 2000 due to higher treasury revenue.

EXPENSES

Operating non-interest expenses were $1,887 million, down $217 million from 2000 as a result of lower revenue-related and staff-related expenses, combined with active cost management initiatives. As well, expenses were lower due to the reduction of ongoing costs related to exited businesses.



The operating efficiency ratio for 2001 was 82.3%, up from 77.6% in 2000.

In 2000, operating non-interest expenses were $2,104 million, up $155 million from 1999 as a result of higher revenue-related variable expenses.

Reported non-interest expenses can be found in the table below.

The regular workforce headcount was 7,030 at year-end.

NON-INTEREST EXPENSES – WEALTH MANAGEMENT

$ millions, for the years ended October 31	**2001**	2000	1999
Reported non-interest expenses	**$ 1,920**	$ 2,093	$ 2,002
Less:			
Restructuring charge	**33**	(11)	53
Operating non-interest expenses	**$ 1,887**	$ 2,104	$ 1,949

SELECTED INFORMATION

Average assets in 2001 were $22.9 billion, up $3.6 billion from the prior year.

Wealth Management assets under administration (excluding institutional assets) totaled $166.4 billion at year-end, an increase of $3.0 billion, or 1.8%, from 2000. These amounts reflect CIBC's 100% ownership of TAL, not previously included.

WEALTH MANAGEMENT ASSETS UNDER ADMINISTRATION(1)

$ billions, as at October 31	**2001**	2000	1999	Services
Mutual funds	**$ 24.7**	$ 23.7	$ 20.2	CIBC mutual funds and Personal Portfolio Services
Investor's Edge discount brokerage	**13.6**	13.6	9.3	Asset consolidation and brokerage trading services offered through Internet banking, telephone banking and CIBC branches
Global private banking and trust	**18.4**	17.1	19.9	Offshore and domestic private banking, investment, trust and advisory services offered to high net-worth clients
TAL Global Asset Management Inc.	**9.9**	-	-	Investment management firm for pension funds, private money management, mutual funds and endowment funds
Private client				Full-service retail brokerage businesses providing equity, debt and mutual fund products, as well as advisory and financial planning services to individuals
Canada	**37.2**	42.1	35.7	
U.S.	**62.6**	66.9	55.9	
	$ 166.4	$ 163.4	$ 141.0	

(1) Excludes institutional assets.

CIBC World Markets

CIBC World Markets is a full-service investment bank, active throughout North America and with growing capabilities in Europe and niche capabilities in Asia.

We offer our clients full capital structure solutions, delivered with senior management attention and highest-quality service. Despite a difficult year in the capital markets and disruptions related to the World Trade Center tragedy in September, we have maintained our leadership position in Canadian investment banking across most products, expanded our client franchise in the U.S., and seized new growth opportunities in Europe. The current markets, although challenging, have not altered our strategy to have a strong full-service capability throughout North America.

Although CIBC World Markets surpassed its return on equity target, we did not achieve two of our other objectives. With $569 million in merchant banking revenue, we did not achieve our minimum target of $600 million, due substantially to the tragedy of September 11, 2001 and a deeper than expected deterioration in market conditions. These external events also affected operating net earnings, which, at $829 million, fell short of our objective of $1.0 billion. Cross-border transactions remained flat in terms of market share by number of transactions. We continue to keep our costs low and our investments focused on businesses with the highest risk-adjusted return to CIBC shareholders.

In our capital markets businesses, debt capital markets generated excellent financial results, due to a continued focus on key clients and on capital and cost management as well as favourable market conditions in key products. The continued success of our equity structured products group, which creates equity strategies to manage risk or generate long-term results, encouraged us to expand this business into Europe.

Our investment banking and credit products business grew in 2001, with exceptional performance by our European operations in acquisition finance, and mergers and acquisitions. Our joint lead role in the acquisition of Yell Directories by two lead equity sponsors was the largest leveraged buyout ever in Europe, entailing £1.55 billion of debt. This, combined with our lead role in Nomura's acquisition of Le Méridien Hotel Group for £1.9 billion, established CIBC World Markets as a leading leverage finance bank in Europe.

This year, our North American investment banking team led the largest technology merger ever – the $41 billion acquisition of SDL, Inc. by JDS Uniphase Corporation. In Canada, we were an integral part of CanWest Global Communications Corp.'s acquisition of Hollinger's media assets; advised Mackenzie Financial Corporation on the largest Canadian wealth management transaction in history; advised JDS on the sale of a pump chip facility to Nortel Networks; and underwrote US$2.0 billion in funds for George Weston Limited in its purchase of Bestfoods Baking Company. In the U.S., we continued to grow our client franchise through key hires and transactions on behalf of companies such as JCA Technology, Midcoast and Gothic Energy, as well as cross-border transactions such as the sale of Chieftain International to Hunt Oil.

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Our structured finance group continued its leadership in asset securitization globally, most notably with this year's landmark securitization of US$1.5 billion of distressed loans held by FleetBoston Financial Corp. The financial technology behind this transaction is being applied to other significant securitizations of distressed loans, including CIBC's bulk sale of $848 million of U.S. corporate loans.

We also formed a strategic alliance with Credit Lyonnais Securities Asia, with the goal of sharing research and gaining access to a new source of clients.

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DAVID KASSIE
Vice-Chairman

2001 RESULTS

- **Delivered $829 million in operating earnings after-tax, against our target of $1.0 billion**
- **Achieved a 19.3% operating ROE versus target of 15% to 20%**
- **Generated $569 million of merchant banking revenue, just under our target range of $600 to $800 million**

ONGOING OBJECTIVES

- **Generate $1.0 billion operating earnings after tax**
- **Achieve 15% to 20% operating ROE**
- **Generate $600 to $800 million in annual merchant banking revenue**

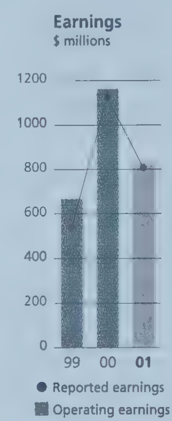
OUR PRIORITIES

- **Grow our U.S. client franchise**
- **Increase our share of cross-border financings**
- **Expand our high-return businesses**
- **Maintain leadership position in Canada**

Our commercial banking business, which serves Canadian-based companies with revenue of more than $5 million, continued to build its product offerings to clients through strategic alliances with TAL Global Asset Management and Maritime Life, as well as with Tyco Capital (formerly CIT Group). We have maintained our emphasis on the effective use of capital by focusing resources on our core clients. We will continue to narrow our focus, in order to provide the highest possible standards of service to our most valued clients.

Financial results – CIBC World Markets

EARNINGS



CIBC World Markets operating earnings were $829 million in 2001, down $333 million from the prior year. This was a result of decreased revenue and an increase in the provision for credit losses, reflecting deteriorating market conditions and the effects of the September 11, 2001 events. This was offset in part by lower revenue-related expenses and reduced income taxes.

In 2000, CIBC World Markets operating earnings were $1,162 million, up $494 million from 1999 primarily due to continued growth in merchant banking and the capital markets businesses. This was partially offset by lower investment banking and credit products revenue resulting from losses associated with exiting certain businesses and lower leveraged finance (i.e. corporate lending and high-yield deals) activities.

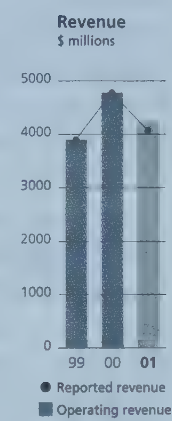
Reported earnings can be found in the table below.

EARNINGS – CIBC WORLD MARKETS

$ millions, for the years ended October 31	**2001**	2000	1999
Total revenue (TEB)	**$ 4,066**	$ 4,781	$ 3,899
Non-interest expenses	**2,730**	2,938	2,822
Provision for credit losses	**694**	286	245
Net income before income taxes	**642**	1,557	832
Income taxes and non-controlling interests	**(166)**	434	292
Reported earnings	**808**	1,123	540
Less:			
Restructuring charge	**(37)**	-	(103)
Bulk sale of U.S. corporate loans	**(94)**	-	-
Restructured ownership of certain U.S.-based loans and leases(1)	**138**	-	-
Specific provision for credit losses associated with the bulk loan sale	**(28)**	-	-
New York premises consolidation	-	(27)	-
Oppenheimer acquisition-related costs	-	(12)	(25)
Operating earnings	**$ 829**	$ 1,162	$ 668
Reported efficiency ratio	**67.1%**	61.4%	72.4%
Reported return on equity (ROE)	**18.8%**	25.6%	11.7%
Reported economic profit	**$ 309**	$ 556	$ 21
Operating efficiency ratio	**62.9%**	60.0%	66.6%
Operating ROE	**19.3%**	26.5%	14.7%
Operating economic profit	**$ 330**	$ 595	$ 149

(1) The bank restructured ownership of certain U.S.-based loans and leases, resulting in a reduction of income tax expense of $142 million and an after-tax expense related to the transaction of $4 million (pre-tax $8 million).

REVENUE



In 2001, CIBC World Markets operating revenue was $4,228 million, down $553 million from the prior year due to lower U.S. investment banking revenue, combined with a decrease in net merchant banking gains.

CIBC World Markets operating revenue in 2000 was $4,781 million, up $882 million from 1999 as a result of the reallocation of capital to higher yielding businesses, merchant banking growth and record equity-related revenue. In general, the business was able to benefit from favourable economic conditions throughout the year.

Reported revenue can be found in the table below.

REVENUE – CIBC WORLD MARKETS

$ millions, for the years ended October 31	**2001**	2000	1999
Reported revenue (TEB)			
Capital markets	**$ 1,534**	$ 1,516	$ 1,006
Investment banking and credit products	**1,474**	1,723	1,922
Merchant banking	**569**	1,021	462
Commercial banking	**481**	491	484
Other	**8**	30	25
	4,066	4,781	3,899
Less:			
Bulk sale of U.S. corporate loans	**(162)**	-	-
Operating revenue (TEB)	**$ 4,228**	$ 4,781	$ 3,899
By business:			
Capital markets	**$ 1,534**	$ 1,516	$ 1,006
Investment banking and credit products	**1,636**	1,723	1,922
Merchant banking	**569**	1,021	462
Commercial banking	**481**	491	484
Other	**8**	30	25
Operating revenue (TEB)	**$ 4,228**	$ 4,781	$ 3,899

Revenue details are as follows:

***Capital markets** operates trading, sales and research businesses serving institutional, corporate and government clients across North America and around the world.* Operating revenue was $1,534 million, up $18 million from 2000 due to the increased contribution from fixed income activities and the equity structured products business.

***Investment banking and credit products** provides advisory services and underwriting of debt, credit and equity for corporate and government clients across North America and around the world.* Operating revenue was $1,636 million, down $87 million from 2000 due to weaker U.S. investment banking performance.

***Merchant banking** makes investments to create, grow and recapitalize companies across a variety of industries.* Operating revenue was $569 million, down $452 million from 2000 as a result of lower realized gains, net of asset write-downs.

***Commercial banking** originates financial solutions centred around credit products for medium-sized businesses in Canada.* Operating revenue was $481 million, down $10 million from 2000 due to lower volumes of loans and bankers' acceptances.

***Other** includes the allocation of a portion of treasury revenue, net of unallocated funding charges; CEF Capital, an affiliated Asian merchant bank holding company; and other revenue not directly attributed to the main businesses listed above.* Operating revenue was $8 million, down $22 million from 2000 as a result of higher treasury-related funding charges, partially offset by interest income on a tax reassessment.

EXPENSES

NON-INTEREST EXPENSES – CIBC WORLD MARKETS

$ millions, for the years ended October 31	2001	2000	1999
Reported non-interest expenses	**$ 2,730**	$ 2,938	$ 2,822
Less:			
Restructuring charge	**63**	-	182
Restructured ownership of certain U.S.-based loans and leases	**8**	-	-
New York premises consolidation	**-**	50	-
Oppenheimer acquisition-related costs	**-**	20	45
Operating non-interest expenses	**$ 2,659**	$ 2,868	$ 2,595

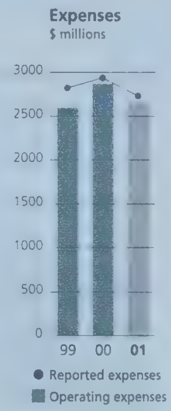
Operating non-interest expenses were $2,659 million in 2001, down $209 million from the prior year due to lower variable compensation associated with reduced revenue.

The operating efficiency ratio for 2001 was 62.9%, up from 60.0% in 2000.

In 2000, operating non-interest expenses were $2,868 million, up $273 million from 1999 as a result of higher variable compensation associated with a 23% increase in revenue.

Reported non-interest expenses can be found in the accompanying table on the left.

The regular workforce headcount was 2,996 at year-end.



PROVISION FOR CREDIT LOSSES

The provision for credit losses was $694 million in 2001. Excluding the $48 million provision related to the fourth quarter bulk sale of the U.S. corporate loans, the provision for credit losses was up $360 million from the prior year due to general weakening of credit markets.

In 2000, the provision for credit losses was $286 million, up $41 million from 1999.

AVERAGE ASSETS

Average assets in 2001 were $122.0 billion, up $4.1 billion from the prior year due to continued growth of the equity structured products business.

Corporate and Other

Corporate and Other comprises the three functional groups – Treasury, Balance Sheet and Risk Management; Administration; and Corporate Development – that support CIBC's business lines, as well as CIBC Mellon's custody business and other revenue and expense items not directly attributable to the four business lines. The revenue and expenses of these functional groups are generally allocated to the business lines.

The operating earnings in Corporate and Other reflect the results at the corporate level after the application of CIBC's Manufacturer / Customer Segment / Distributor Management Model, which is used to measure and report the results of the four business lines.

EARNINGS – CORPORATE AND OTHER

$ millions, for the years ended October 31	2001	2000	1999
Reported (loss)	**$ (43)**	$ (52)	$ (177)
Less:			
Gain on sales of corporate assets	**-**	143	-
Events of September 11, 2001	**(4)**	-	-
Restructuring charge	**(6)**	1	(26)
Adjustment for tax rate changes	**(66)**	-	-
General allowance	**-**	(146)	(84)
Operating earnings (loss)	**$ 33**	$ (50)	$ (67)

Functional groups

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WAYNE FOX
Vice-Chairman and Chief Risk Officer

2001 RESULTS

- **Achieved Tier 1 capital ratio of 9.0% and total capital ratio of 12.0%, as at October 31, 2001**
- **Reallocated balance sheet (including capital) and risk resources based on sustainable economic performance and other key metrics**
- **Developed and continued to enhance risk models for credit risk and market risk**
- **Reported total allowance for credit losses exceeded gross impaired loans by $592 million, as at October 31, 2001**
- **Reduced overall risk levels within trading books from $20.5 million at the end of 2000, to $11.2 million at the end of 2001**
- **Supported the achievement of CIBC operating ROE of 19.8%, versus target of 18.0%**

Treasury, Balance Sheet and Risk Management

Aggressively managing the balance sheet (including capital) continues to be integral to CIBC's strategy. As part of this strategy, we actively manage our 37 businesses by ensuring that the allocation of risk and balance sheet (including capital) resources is directed to higher-return and/or strategic growth activities. CIBC took a significant step in the fourth quarter to facilitate this approach by announcing the integration of Treasury and Balance Sheet Management with Risk Management.

Our goal is to take these individually successful disciplines to the next level of performance. We will achieve this by creating an integrated structure that works more closely with the rest of the bank. The consolidated group will optimize the linkage between balance sheet (including capital) and risk by uniting activities, such as balance sheet and risk resource allocation, measurement and monitoring within a single framework.

The combined independent functional group will be responsible for the following areas and activities:

- Treasury provides bank-wide asset/liability, funding, liquidity, and cash and collateral management.
- Credit Portfolio Management (CPM) applies market-based techniques to the management of credit risk-related capital. CPM also applies credit models to the analysis of the bank's large corporate credit portfolio. By using direct loan sales, credit derivative hedges or structured transactions, higher risk or concentrated positions are reduced. Through the same means, selected credit exposures are added to the portfolio to increase diversification and returns. Recent developments in credit markets have significantly increased the liquidity of individual loans.
- Balance Sheet (including Capital) Management ensures that CIBC is strongly capitalized and that the bank's capital is structured in the most effective manner. It also manages capital in the bank's legal entities. Activities include recommending and implementing share repurchase programs, capital issuance, and placements. The critically important balance sheet and capital resource allocation process resides here.
- Risk Management identifies, measures, monitors and controls CIBC's global credit, market, liquidity and operational risk exposures. It develops and recommends risk management policies; measures and monitors compliance with established policies; develops and implements methodologies to measure and monitor risk; and designs and implements the infrastructure necessary to measure and monitor risk.

The strategic focus in 2002 will be to complete the integration of Treasury, Balance Sheet Management and Risk Management. In the process, we expect to enhance shareholder value by ensuring that authority and accountability reside in one functional group, and by creating greater efficiency and effectiveness in managing the balance sheet (including capital) and risk. An early example of integration benefit is the enhanced linkage between the bank's Capital and Risk Committee, and one of its sub-committees – the Credit Committee – that is being formalized.

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During 2001, significant highlights for Treasury, Balance Sheet and Risk Management included:

- We continued our disciplined management of the bank's capital mix and use of capital, in order to maximize shareholder value through the reduction of lower-yielding and more variable-return risk-weighted assets.
- We expanded the rigorous balance sheet and capital resource allocation process (see matrix below), making it part of a common, bank-wide approach. For example, through close interaction with mortgages, Treasury enhanced the management of pre-payment risk on residential mortgages, which resulted in the reduction of attributed market risk capital.
- On the credit risk side, defaults and delinquencies are still at challenging levels. This underlines the importance of our CPM function which, by actively managing our large corporate non-core loan portfolio, is increasing our ability to liquefy our credit assets.
- The total allowance for credit losses exceeded gross impaired loans by $592 million as at October 31, 2001, compared to $575 million at the end of 2000.
- We achieved significantly lower aggregate risk measurement unit (RMUs) levels during 2001, despite more challenging market conditions. This is reflected in lower RMUs across the bank's trading and non-trading portfolios.
- We generated significant treasury revenue during the year in each of our North American, Caribbean and European activities as a result of being well-positioned for various interest rate decreases during the 12-month period.
- We successfully executed our business continuity plan on two occasions during 2001 – first, in response to a fire near a major CIBC processing, technology support and call centre in Toronto on May 2; and then, in response to physical and operational damage to the CIBC facility at One World Financial Center in New York following the collapse of the twin towers on September 11th. On both occasions, the activation of CIBC's business continuity plan supported the rapid relocation of employees and critical business functions to other CIBC locations. As a result of having a plan in place, impact on customer service levels and CIBC's operations was minimized.

OUR PRIORITIES

- **Integrate Treasury, Balance Sheet Management and Risk Management into a single efficient and effective functional group**
- **Target capital ratios of 8.5% - 9.5% (Tier 1) and 11.0% - 12.5% (total)**
- **Manage balance sheet and risk resources to support achievement of 15% EPS growth and 18% operating ROE**
- **Reallocate balance sheet (including capital and taxable capacity) and risk resources, based on sustainable economic performance and other key metrics**
- **Identify, measure, monitor and control risk**

BALANCE SHEET RESOURCE ALLOCATION MATRIX

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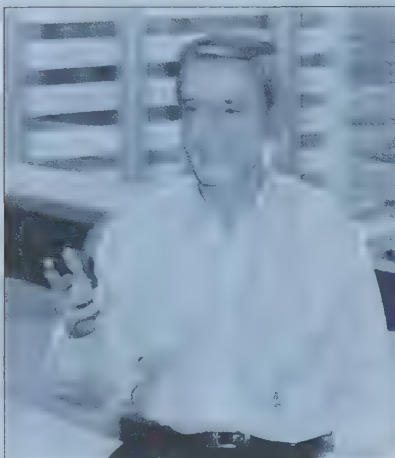

RON LALONDE
Senior Executive Vice-President
and Chief Administrative Officer

OUR PRIORITIES

- **Further implement the individual performance planning process bank-wide**
- **Enhance efficiency and effectiveness of training and development programs**
- **Improve security for employees and information**
- **Launch a new public accountability statement**
- **Implement an integrated media communication strategy**
- **Implement updated privacy policies across CIBC**
- **Refine financial control processes and systems**
- **Achieve long-term cost-effectiveness, improve operational effectiveness, increase management focus on key business activities and create attractive career opportunities for employees**

Administration

The Administration group made further progress against its ongoing objective to achieve long-term cost efficiencies and improve operational effectiveness, surpassing its cost-reduction target by 2% in 2001.

The group, which provides governance and support services to CIBC and its strategic business units, comprises the following functions: finance, corporate communications and public affairs, human resources, marketing, corporate real estate, and governance, including legal, audit and compliance. Its mandate is to establish bank-wide processes to ensure that CIBC, its subsidiaries and its businesses all operate in an efficient, controlled and integrated manner.

During the year, the Administration group led the successful outsourcing of two major internal functions – corporate real estate services, and human resource operations and technology – to leading third-party providers. The outsourcing agreements support CIBC's strategy to exit non-core operations and to divert capital and resources to higher-growth and -return businesses.

The group also continued to work with the Chairman and senior management to further establish operating and financial performance targets, expanding the number of metrics measured monthly from 140 to 190.

In addition, we implemented a rigorous review process to monitor progress against targets, and reformatted our financial communications in order to report results to internal and external stakeholders in a clearer and more transparent way.

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As part of our commitment to improve corporate and individual accountability, we implemented our new performance management process for every employee in the organization. This ensures that the focus and actions of our employees are directly aligned to CIBC's strategies and, in turn, to the interests of our shareholders.

In addition, the Administration group continued to deliver an array of services to CIBC's businesses, from legal and compliance to marketing and communications.

Highlights for the year included the regulatory support we offered Amicus as it received approval as a Schedule I Bank in Canada, and the establishment of sound regulatory relationships for this business model in the U.S.

The group also provided marketing and communications expertise for the launch of our new Smart, Simple Solutions retail brand strategy.

In 2002, the Administration group will continue to focus on aligning the bank's infrastructure capacity to current business conditions, seeking opportunities for increased efficiencies and cost savings, further ingraining the performance management process in the culture of the organization, and making further refinements to our financial processes and systems.

The group will add four more areas of focus during the year: strengthening security for employees and information in the wake of the September 11, 2001 events; implementing an integrated media communication strategy; launching a public accountability statement in response to new federal government legislation; and, implementing new privacy policies to ensure that CIBC remains at the leading edge of this important issue.

Corporate Development

Corporate Development made significant progress in 2001 against its objective to realize the full value of CIBC's portfolio of businesses and provide the platform for future growth.

During the year, Corporate Development played an integral role in the sale of the Merchant Card Services business to Global Payments Inc. This interest offers us greater future earnings potential than we could have anticipated from continued 100% ownership of the smaller Canadian operation.

Within Wealth Management, Corporate Development assisted in the acquisition of the outstanding shares of TAL Global Asset Management Inc., an important step in growing our Wealth Management business and providing the foundation for future expansion.

Corporate Development also worked closely with Wealth Management on the sale of our Guernsey private banking business to The Bank of N.T. Butterfield & Son Limited.

And, subsequent to year-end, Corporate Development was instrumental in first identifying and then ensuring that CIBC was successful in acquiring Merrill Lynch Canada Inc.'s retail brokerage, asset management and Canadian securities services businesses.

We continued to assist in the development of potential alliances for Amicus, our electronic retail banking business. Our efforts were aimed at strengthening CIBC's U.S. presence and broadening our product offering for our growing U.S. retail customer base.

Corporate Development also helped initiate discussions with Barclays Bank PLC to combine our respective retail, corporate and offshore banking operations in the Caribbean to create a new larger entity that has the potential to be a dominant player in this market. Under the agreement, CIBC and Barclays will each own approximately 45% of the combined operations, with the remainder being held publicly.

These actions were taken after an extensive examination of our businesses and market conditions. Corporate Development examines hundreds of opportunities each year as part of its goal to maximize the value of our businesses. Part of this focus includes working closely with Treasury, Balance Sheet and Risk Management to ensure that capital is allocated to those businesses or activities best positioned for high growth and high returns.

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In addition, these actions supported Corporate Development's goal of reinforcing an owner-manager mindset among the organization's business leaders, thereby further aligning business decisions with the interests of our shareholders.

In 2002, we will continue this focus by: identifying additional ways to accelerate growth in high-return businesses, particularly in Wealth Management; pursuing new acquisition, alliance and joint venture opportunities that will enhance shareholder value; and, examining strategies to liberate capital by exiting non-strategic or low-return businesses.

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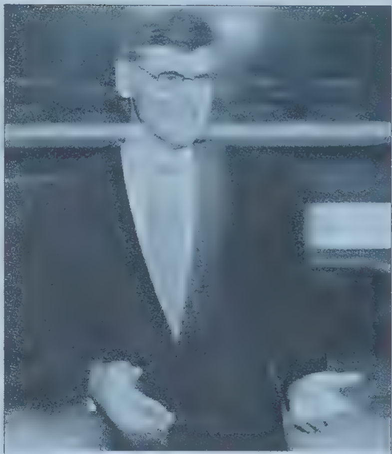


RICHARD VENN
Senior Executive Vice-President

OUR PRIORITIES

- **Identify new alliances and acquisition opportunities to accelerate growth, particularly within Wealth Management**
- **Unlock and maximize the value of our total businesses portfolio**

Consolidated financial review

Consolidated income statements

Revenue

Total revenue consists of net interest and non-interest income.

Reported revenue in 2001 was $11,306 million on a taxable equivalent basis (TEB), down $904 million from the prior year due to a decrease in non-interest income of $1,184 million, offset in part by an increase of $280 million in net interest income.

In 2000, reported revenue was $12,210 million (TEB), up $1,945 million from 1999 due to an increase in non-interest income of $2,069 million, partially offset by a decrease in net interest income of $124 million.

NET INTEREST INCOME AND MARGIN

Net interest income includes interest and dividends earned on assets, net of interest paid on liabilities. Net interest margin is net interest income expressed as a percentage of average assets.

NET INTEREST INCOME AND MARGIN

$ millions, for the years ended October 31	2001	2000	1999
Average assets	**$ 278,798**	$ 263,119	$ 271,844
Net interest income (TEB)	**$ 4,693**	$ 4,413	$ 4,537
Net interest margin (TEB)	**1.68%**	1.68%	1.67%

In 2001, net interest income of $4,693 million benefited from the increase in average assets, particularly in cards and mortgages, and an improvement in loan spreads. Additional analysis of net interest income and margin is provided in the supplementary annual financial information on pages 102 to 103.

In 2000, net interest income was $4,413 million, down $124 million from 1999 as a result of lower average assets.

NON-INTEREST INCOME

Non-interest income includes all revenue not classified as net interest income.

In 2001, non-interest income of $6,613 million included gains on the sales of corporate assets, which were more than offset by the loss incurred on the bulk sale of the U.S. corporate loans. In addition, non-interest income in 2001 was adversely affected by decreased U.S. investment banking activity, reduced trading volumes and lower net merchant banking gains associated with weaker market conditions. In 2000, non-interest income was higher due to increased gains on the sales of corporate assets, combined with higher fee-based revenue, trading volumes and net merchant banking gains.

NON-INTEREST INCOME

$ millions, for the years ended October 31	2001	2000[1]	1999[1]
Fees for services			
Underwriting	**$ 614**	$ 886	$ 700
Deposit	**521**	503	490
Credit	**493**	508	495
Card	**363**	368	314
Trust and custodial	**322**	379	305
Mutual funds	**351**	358	250
Insurance	**100**	124	214
	2,764	3,126	2,768
Commissions on securities transactions	**1,089**	1,480	1,181
Trading activities	**1,343**	1,140	714
Investment securities gains, net	**575**	970	378
Income from securitized assets	**223**	237	200
Other	**619**	844	487
Total non-interest income	**$ 6,613**	$ 7,797	$ 5,728

(1) Certain comparative figures have been restated to conform with the presentation used in 2001.

In 2001, non-interest income was down $1,184 million from the prior year mainly due to weaker market conditions.

Fees for services were down $362 million, or 12%, from the prior year. The decrease was primarily due to lower fees related to underwriting and trust and custodial services.

- Underwriting fees decreased by 31% due to lower new equity issue volumes, particularly in the U.S.
- Trust and custodial fees decreased by 15% from the prior year, which included higher than normal annual incentive fees earned on risk-free participation in the profits of investment partnerships.

Commissions on securities transactions were down $391 million, or 26%, resulting from lower trading volumes due to weaker markets in 2001.

Trading activities were up $203 million, or 18%, from 2000 due primarily to increased revenue from the fixed income businesses. For a detailed discussion of trading activities, see page 53.

Investment securities gains include realized gains and losses on disposals, as well as write-downs, to reflect other than temporary impairments in the value of securities held for investment purposes. Revenue was down $395 million, or 41%, from 2000 due to lower realized gains, net of asset write-downs, as a result of deteriorating economic conditions.

Income from securitized assets was down $14 million, or 6%, from 2000 due primarily to decreases in revenue from credit card loans securitization, partially offset by increases in revenue from residential mortgages securitization.

Other includes the gains and losses on the disposal of fixed assets and sale of subsidiaries, foreign exchange commissions and other payment services, as well as other commissions and fees. Other was down $225 million, or 27%, from 2000, due to lower gains on the sales of corporate assets, combined with the loss associated with the bulk sale of the U.S. corporate loans.

In 2000, non-interest income was $7,797 million, an increase of $2,069 million, or 36%, from 1999. The increase resulted from the sales of corporate assets, as well as strong performance from fee-based revenue, trading activities and merchant banking.

Non-interest expenses

Non-interest expenses include all of CIBC's costs except interest expenses, provision for credit losses and income taxes.

In 2001, reported non-interest expenses were $8,226 million, up $130 million, or 2%, from 2000. A detailed analysis of non-interest expenses is provided below.

NON-INTEREST EXPENSES

$ millions, for the years ended October 31	**2001**	2000	1999
Employee compensation and benefits			
Salaries	**$ 2,417**	$ 2,235	$ 2,366
Incentive bonuses	**1,372**	1,636	1,173
Commissions	**474**	633	430
Benefits	**469**	433	419
	4,732	4,937	4,388
Occupancy costs	**631**	634	594
Computer and office equipment[(1)]	**834**	758	849
Communications	**412**	371	380
Advertising and business development	**286**	273	283
Professional fees	**327**	240	211
Business and capital taxes	**109**	108	127
Restructuring charge	**207**	(31)	426
Other	**688**	806	740
Total non-interest expenses	**$ 8,226**	$ 8,096	$ 7,998

(1) Includes costs relating to Y2K (2001: Nil; 2000: $10 million; 1999: $88 million).

Employee compensation and benefits was down $205 million, or 4%, from the prior year due to lower revenue-related incentive bonuses and commissions, reflecting weaker markets. This decrease was partially offset by higher salary expenses associated with increased staffing for strategic initiatives, as well as a general increase in salary levels.

Occupancy costs in 2001 were comparable to the prior year.

Computer and office equipment was up $76 million, or 10%, from 2000 due primarily to spending on strategic technology initiatives.

Communications comprises telecommunications, postage, courier and stationery. Expenses were up $41 million, or 11%, from 2000 due mainly to direct mail campaigns and business growth in Amicus.

Advertising and business development was up $13 million, or 5%, from 2000 mainly due to increased expenses in Amicus and other strategic initiatives.

Professional fees were up $87 million, or 36%, from last year as a result of ongoing strategic initiatives.

Business and capital taxes were comparable to the prior year.

Restructuring charge of $207 million in 2001 related to the bank-wide cost-reduction program implemented in response to the current economic conditions. The cost-reduction program is explained in more detail on page 22.

Other comprises outside services, unrecoverable losses, other personnel costs and donations. Other was down $118 million, or 15%, from 2000 primarily as a result of lower non-credit losses. Other includes a charge of $7 million (net of insurance recovery of $11 million) in respect of losses and incremental expenses incurred for certain of CIBC's New York operations located at One World Financial Center, in close proximity to the World Trade Center.

In 2000, non-interest expenses totaled $8,096 million, up $98 million from 1999, which included a restructuring charge of $426 million. Excluding the 1999 restructuring charge, non-interest expenses were up in 2000 due to higher revenue-related incentive bonuses and commissions, along with increased spending in Amicus.

Taxes

TAXES

$ millions, for the years ended October 31	**2001**	2000	1999
Income taxes			
Income taxes	**$ 92**	$ 641	$ 320
Taxable equivalent adjustment	**144**	131	129
Total income taxes (TEB)	**236**	772	449
Indirect taxes			
Capital taxes	**98**	92	101
Property and business taxes	**38**	44	84
Payroll taxes (employer portion)	**209**	202	197
GST and sales taxes	**198**	182	176
Total indirect taxes	**543**	520	558
Total taxes (TEB)	**$ 779**	$ 1,292	$ 1,007
Combined Canadian federal and provincial tax rate	**41.64%**	42.85%	43.2%
Income taxes as a percentage of net income before income taxes (TEB)	**11.9%**	26.7%	29.6%
Total taxes as a percentage of net income before deduction of total taxes (TEB)	**31.3%**	38.1%	49.2%

Total income and indirect taxes decreased $513 million, or 40%, in 2001.

Income taxes are comprised of income taxes imposed on CIBC non-consolidated (the "parent"), as well as on CIBC's foreign and domestic subsidiaries.

Total income taxes were $236 million in 2001, down $536 million from 2000. This decrease was primarily due to reduced income levels in various higher taxed North American subsidiaries, partially offset by increased income in the parent. There was also a tax reduction arising from the restructured ownership of certain U.S.-based loans and leases.

The combined Canadian federal and provincial income tax rate of 41.64% (2000 - 42.85%) is the parent bank's statutory income tax rate. Variations in this rate can result from legislative changes to corporate income tax rates enacted by the federal and provincial governments and from changes in the proportions of income earned in each of the provinces and in offshore branches of the parent. In 2001, the rate declined primarily as a result of a reduction in the federal income tax rate from 28% to 27%, effective January 1, 2001, and a reduction in the Ontario corporate income tax rate from 14.5% to 14%, effective January 1, 2001. A substantial proportion of the parent's business is carried on in Ontario.

Income taxes as a percentage of net income before income taxes (TEB) declined from 26.7% in 2000 to 11.9% in 2001. The decline was attributable to a greater proportion of income earned in subsidiaries operating in lower tax jurisdictions and reduced income levels earned in subsidiaries operating in higher tax jurisdictions. These reduced income levels were caused by various factors, including incurred loan losses, restructuring charges and start-up costs associated with new businesses, such as Amicus. In addition, a permanent income tax reduction of $142 million resulted from the restructured ownership of certain U.S.-based loans and leases.

Indirect taxes are comprised of capital, property and business, payroll, and GST and sales taxes.

Indirect taxes were $543 million, up $23 million, or 4%, from 2000, primarily as a result of increases in sales, capital and payroll taxes, offset by a decrease in property and business taxes. Sales taxes were up due to increased spending on loyalty reward programs and other taxable expenses, such as rent (which increased because the bank sold various office properties and re-occupied the buildings as tenants part way through fiscal 2000). Capital taxes were higher primarily due to increased preferred share capital. Payroll taxes increased primarily due to increased Canada Pension Plan premiums. Property and business taxes decreased as a result of the sales of the office properties.

Under Canadian generally accepted accounting principles, CIBC is required to establish a future tax asset in respect of expenses recorded currently for which a tax deduction will be available in a future period, such as the general allowance for credit losses. The future tax asset is established using tax rates that will apply in the future period. In fiscal 2000, both the federal and Ontario governments proposed tax rate decreases that will be phased in over a period of years. These rate decreases were considered to be enacted partially in fiscal 2000, but most were enacted in 2001. In 2001, federal proposals were considered substantively enacted in the first quarter, resulting in a $45 million catch-up charge to tax expense. In the third quarter, Ontario and British Columbia budgets were considered to be substantively enacted, resulting in a $21 million catch-up charge to tax expense in that quarter. Together with regular charges, CIBC has reduced its future tax asset in total by $90 million through a charge to tax expense for the year.

In 2000, total income and indirect taxes increased to $1,292 million from $1,007 million in 1999. This was attributable to increased total income taxes of $323 million, which occurred primarily because of increased income levels in both the parent and various subsidiaries.

Consolidated balance sheets

CONDENSED BALANCE SHEETS

$ millions, as at October 31	2001	2000
Assets		
Cash resources	**$ 11,350**	$ 10,679
Securities		
Securities held for investment and loan substitutes	**22,996**	16,025
Securities held for trading	**51,798**	53,217
	74,794	69,242
Loans		
Residential mortgages	**58,728**	51,898
Personal and credit card loans	**27,909**	27,452
Business and government loans, including acceptances	**54,274**	56,179
General allowance for credit losses	**(1,250)**	(1,250)
	139,661	134,279
Securities borrowed or purchased under resale agreements	**24,079**	20,461
Derivative instruments market valuation	**25,723**	23,847
Other assets	**11,867**	9,194
	$ 287,474	$ 267,702
Liabilities and shareholders' equity		
Deposits	**$ 194,352**	$ 179,632
Obligations related to securities sold short	**11,213**	13,992
Obligations related to securities lent or sold under repurchase agreements	**21,403**	14,199
Derivative instruments market valuation	**26,395**	24,374
Other liabilities and acceptances	**18,212**	19,718
Subordinated indebtedness	**3,999**	4,418
Shareholders' equity	**11,900**	11,369
	$ 287,474	$ 267,702

ASSETS

Total assets were $287.5 billion at October 31, 2001, up $19.8 billion from the prior year. This increase was mainly driven by growth in securities held for investment and loan substitutes ($7.0 billion), residential mortgages ($6.8 billion) and securities borrowed or purchased under resale agreements ($3.6 billion), partially offset by decreases in securities held for trading ($1.4 billion). In addition, business and government loans, including acceptances, decreased by $1.9 billion partially due to the bank's ongoing effort to divest non-strategic corporate loans.

A detailed discussion of the loan portfolio is included in the management of credit risk section on pages 47 to 51.

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits were $194.4 billion at October 31, 2001, up $14.7 billion from October 31, 2000. The increase related to growth in deposits from businesses and governments, as well as higher retail deposits. Further details on the composition of deposits are provided in Note 8 to the consolidated financial statements and in the supplementary annual financial information on page 108.

Obligations related to securities lent or sold under repurchase agreements were $21.4 billion, up $7.2 billion from October 31, 2000.

Subordinated indebtedness was $4.0 billion at October 31, 2001, down $0.4 billion from October 31, 2000. Further details on subordinated indebtedness are provided in Note 10 to the consolidated financial statements.

Shareholders' equity was $11.9 billion at October 31, 2001, up $0.5 billion from the prior year.

Management of risk and capital

CIBC incurs risk, including credit, market, liquidity and operational risks, in the normal course of business. The bank manages risk and capital, within tolerance levels established by management and approved by the Board of Directors, with the objective of earning a satisfactory return. This is achieved through a comprehensive framework of infrastructure, policies and procedures, and measurement and monitoring practices that supports active and effective management of CIBC's risk and balance sheet (including capital) levels. The Board and management committees outlined below establish risk and capital management policies and limits, approve risk and balance sheet (including capital) management strategies, and monitor portfolio performance and trends. In 2002, refinements will be made to the infrastructure of the management committees as a result of the continuing integration of Treasury and Balance Sheet Management with Risk Management. Specifically, the linkage of the Capital and Risk Committee to the Credit Committee, one of its sub-committees, will be enhanced in order to optimize the use of balance sheet (including capital) and risk resources relating to the bank's credit assets.

BOARD OF DIRECTORS COMMITTEES

RISK MANAGEMENT AND CONDUCT REVIEW COMMITTEE

- Approves policies and limits with respect to credit, market, liquidity and operational risks.
- Monitors adherence to the above policies and limits.
- Reviews and approves individual credits and investments.
- Monitors portfolio trends.
- Reviews and approves policies on loan concentrations.
- Reviews and approves procedures for dealing with related party transactions and conflict of interest issues.
- Reviews Canada Deposit Insurance Corporation (CDIC) self-assessment.

Chair: External Director

AUDIT COMMITTEE

- Approves policies with respect to the management of capital and internal controls.
- Monitors adherence to the above policies.
- Oversees CIBC's financial reporting process on behalf of the Board of Directors.
- Reviews CIBC's financial statements.
- Liaises with internal and external auditors.
- Reviews internal control procedures and the provision for credit losses.
- Reviews CDIC self-assessment.

Chair: External Director

MANAGEMENT COMMITTEES

SENIOR EXECUTIVE TEAM

- Oversees enterprise-wide governance.
- Establishes mandates and membership of management committees.
- Establishes CIBC-wide strategic direction, performance targets and risk limits.
- Assesses strategy and monitors asset/liability and capital management.
- Approves delegated authorities and limits of the Capital and Risk Committee.
- Approves material transactions and strategic investments.

Chair: Chairman & CEO

CAPITAL AND RISK COMMITTEE

- Approves policies and limits for credit, market and liquidity risk management.
- Approves balance sheet (including capital) resource allocation and economic capital measurement within parameters established by the Senior Executive Team.
- Monitors portfolios and risk performance, and addresses material risk issues.
- Approves mandates and membership for the Investment Committee, including delegation of limits and authorities.
- Approves new material risk and strategic allocation of balance sheet resources for the introduction of new products, new businesses and/or new channels.

Chair: Vice-Chairman and Chief Risk Officer, Treasury, Balance Sheet and Risk Management

OPERATIONS AND ADMINISTRATION COMMITTEE

- Establishes policies and the framework for CIBC-wide management of operational risk and internal control processes, and performs ongoing assessment of effectiveness.
- Reviews internal assessments of adherence to the internal control framework.
- Oversees corrective action concerning significant control weaknesses or emerging control issues.
- Monitors implementation of significant projects and intervenes, as required.
- Refers compliance and control matters relating to credit or market risk, as well as those having balance sheet resource implications, to the Capital and Risk Committee.

Chair: Senior Executive Vice-President, Wealth Management

CREDIT COMMITTEE*

- Approves credit requests within delegated limits.
- Presents new credit requests and certain renewals in excess of delegated limits to the Board's Risk Management and Conduct Review Committee for approval.

Chair: Executive Vice-President, Risk Management

INVESTMENT COMMITTEE*

- Approves merchant banking investments within delegated limits.

Chair: Senior Executive Vice-President, Corporate Development

* Sub-committee of the Capital and Risk Committee

Management of credit risk

Credit risk is the potential for financial loss resulting from the failure of a borrower or counterparty to fully honour its financial or contractual obligations, such as repayment of loans or settlement of derivatives contracts.

CIBC's framework for the management of credit risk comprises infrastructure, policies and procedures, and measurement and monitoring practices that are designed to instill a strong sense of accountability and discipline throughout the bank.

INFRASTRUCTURE

The Capital and Risk Committee is responsible for reviewing and approving CIBC's credit risk management policies. These policies are tabled with the Board's Risk Management and Conduct Review Committee for review and approval on an annual basis. The Capital and Risk Committee is also responsible for ensuring that these policies are implemented and that procedures are in place to manage and control credit risk, along with overseeing that the quality of the credit portfolio is in accordance with these policies. Senior management reports regularly to the Risk Management and Conduct Review Committee on material credit risk matters, including individual credit transactions, impaired loans and credit loss provisioning levels. In addition, senior management also reviews impaired loan balances, allowances and credit loss provisioning levels with the Audit Committee of the Board.

The day-to-day responsibility for measuring and monitoring credit risk is delegated to Credit Risk Management. Credit Risk Management is independent of the business lines and is responsible for the initial credit approval and ongoing measurement and monitoring of the credit portfolio to ensure that credit risk is actively controlled. This is accomplished through the establishment of lending policies; the approval of all models used for risk rating and credit scoring of individual loans; the exercising of approval authority for all significant credit transactions; the monitoring of exposures against policies and limits; and, rigorous management of past due and impaired loans by specialized groups.

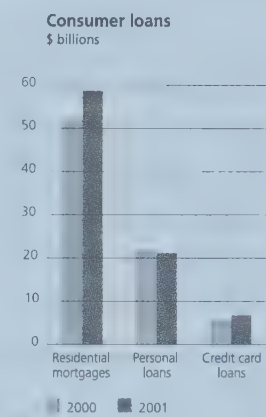
Management of the credit portfolio also takes place within Credit Portfolio Management, which uses market-based techniques in the management of the credit risk component of economic capital. Credit Portfolio Management applies enhanced credit models to the analysis of the bank's large corporate credit portfolio. Higher risk or concentrated positions are reduced through the use of direct loan sales, credit derivative hedges or structured transactions. By the same means, selected credit exposures are added to the portfolio to enhance diversification and increase returns. Recent developments in credit markets have significantly increased the liquidity of individual loans and, consequently, the management of the credit portfolio has become increasingly dynamic. Given that the credit risk component of economic capital is a scarce resource, CIBC endeavours to allocate and liberate credit risk capital in the most cost-efficient manner.

POLICIES AND PROCEDURES

CIBC's credit risk management policies outline the credit risk philosophy of the bank, and convey the overall risk tolerance level in relation to desired return for the risk undertaken, as well as the detailed parameters under which credit risk is to be controlled. Policies and procedures establish the basis for how credit is granted, measured, aggregated, monitored and reported. In this regard, the bank has policies and procedures for the control of credit risk within both the consumer loan portfolio and the business and government loan portfolio.

MEASUREMENT AND MONITORING

For consumer loans, the large number of transactions of smaller dollar size makes statistical techniques, such as credit scoring and computer-based loan models, well suited to identification and management of risk.



CIBC's consumer loan portfolio is well diversified to ensure that concentrations by customer and product type are within prudent and acceptable limits. Consumer loans constitute 61% of the bank's portfolio, excluding securities borrowed or purchased under resale agreements and before the general allowance. These loans are inherently diversified in that they represent thousands of borrowers with relatively small individual loan balances. Residential mortgages, which constitute 68% of the total consumer loan portfolio, exhibit very low levels of credit risk. Consistent with the bank's managed growth strategy for this business, residential mortgages increased by $6.8 billion from the prior year. The bank's credit card growth strategy resulted in an increase of 20% in the on-balance sheet portfolio, which now constitutes 8% of consumer loans. Delinquency and loss rates have increased during the past year, reflecting this rapid growth, as well as increasing levels of personal bankruptcies. Personal loans, which include student loans, decreased $692 million to $21.1 billion during 2001, and represent 24% of the consumer loan portfolio. Installment loans and personal lines of credit remained relatively constant with reductions occurring in the student loan portfolio.

Within the business and government loan portfolio, specialized lenders assess each credit transaction and, for all significant transactions, independent credit approval from Credit Risk Management is also required. CIBC diversifies this portfolio through the establishment and continual monitoring of exposures against single name, industry and geographic concentration limits. All business loans are risk rated on a 13-category scale that is calibrated to reflect associated probability of loss. Single name concentrations are managed through limits on concentrations by risk rating; industry concentrations are measured against limits for 17 different industry sectors; and geographic concentrations are measured against limits established for exposure to foreign countries. These loan risk ratings assist in monitoring the portfolio, and are also used in the bank's RAROC model for the attribution of the credit risk component of economic capital.

Business and government loans (including acceptances) constitute 38% of the bank's portfolio, excluding securities borrowed or purchased under resale agreements and before the general allowance, and are 3% lower than last year. This is consistent with the bank's strategy to aggressively manage balance sheet (including capital) resources. The portfolio is diversified from an industry perspective with the largest industry group, financial institutions, constituting approximately 13% of total business and government loans (including acceptances) in 2001.

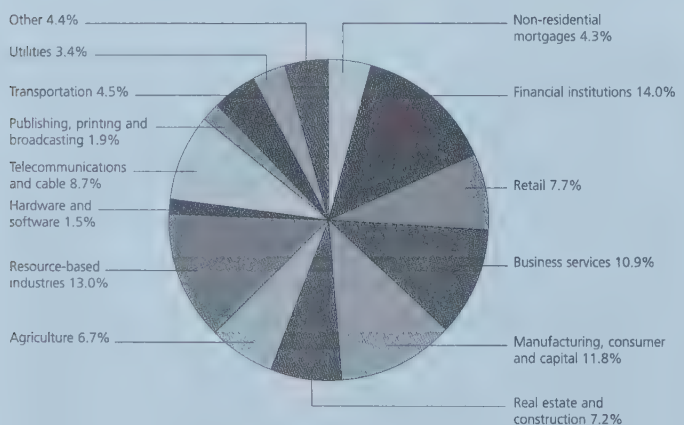
Management continues to monitor industry concentrations given the current economic outlook and recent world events.

Geographically, 83% of this portfolio is in North America, with the remaining balance predominantly in the United Kingdom and Western Europe. Exposure to Asia continues to be managed down to lower levels through significant repayment and/or recovery experience. Exposures in Eastern Europe, Latin and South America and elsewhere are limited. The increasing sophistication of decision-support tools used at origination have significantly contributed to the maintenance of a well-diversified portfolio.

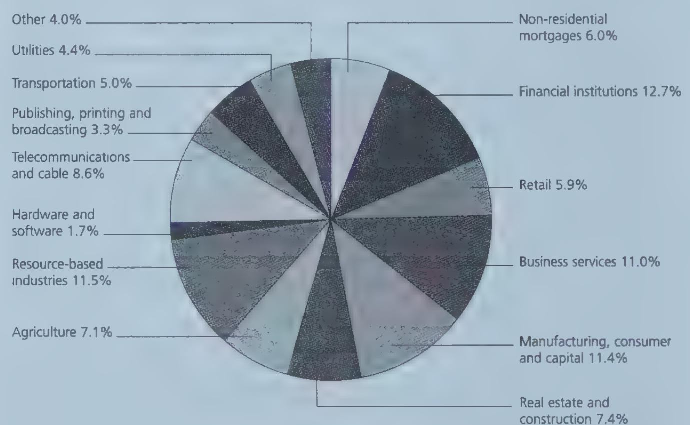
Country risk is the risk that assets may become frozen in a foreign country because of imposed exchange controls or other political or economic disturbances. CIBC actively manages country risk through limits on exposures to individual countries outside of North America. These limits establish the maximum amount of acceptable country risk and control its sub-components, such as bank deposits and trade finance.

The majority of the bank's credit risk exposure relates to the loans and acceptances portfolio. However, CIBC also engages in activities that expose it to off-balance sheet credit risk. These include credit-related arrangements and derivatives instruments as explained in Notes 20, 21 and 22 to the consolidated financial statements. The bank manages these exposures through the same credit risk management framework as described above.

Business and government loans (including acceptances) by industry groups – summarized(1)*
(%)



2000



2001

(1) Industry classifications provided have been summarized. Refer to the supplementary annual financial information on pages 104 to 105 for further details.

IMPAIRED LOANS

While CIBC imposes a disciplined approach to risk by continuously monitoring all credit exposures, the bank also aggressively manages all impaired accounts. Generally, a loan is classified as impaired when management is of the opinion that there is no longer a reasonable assurance of the full and timely collection of principal and interest. Certain exceptions to this policy are outlined in Note 1 to the consolidated financial statements.

During the year, $2.23 billion of loans were newly classified as impaired, up $441 million from 2000. In this period, consumer loan classifications grew by $169 million, reflecting continued growth in the portfolio and increased levels of delinquencies and personal bankruptcies. At the same time, business and government loan classifications grew by $272 million. Overall, domestic classifications grew by $74 million, while foreign classifications increased by $367 million, of which $310 million were related to new classifications in the U.S.

Reductions in gross impaired loans through remediation, repayment, or sale, were $935 million, up $179 million from 2000. The increase included $58 million related to consumer loans and $121 million in business and government loans. For the year, write-offs totaled $1,249 million, up $400 million from a year ago. Business and government loan write-offs accounted for $343 million of this increase, with consumer loan write-offs increasing by $57 million.

CHANGES IN NET IMPAIRED LOANS(1)

$ millions, as at or for the years ended October 31	**Business and government loans**	**Consumer loans(2)**	**Total before general allowance**	**General allowance**	**2001 Total**	Business and government loans	Consumer loans(2)	Total before general allowance	General allowance	2000 Total	Business and government loans	Consumer loans(2)	Total before general allowance	General allowance	1999 Total
Gross impaired loans															
Balance at beginning of year	**$ 1,204**	**$ 457**	**$ 1,661**	**$ -**	**$ 1,661**	$ 1,019	$ 463	$ 1,482	$ -	$ 1,482	$ 1,050	$ 436	$ 1,486	$ -	$ 1,486
New additions	**1,280**	**945**	**2,225**	**-**	**2,225**	1,008	776	1,784	-	1,784	911	826	1,737	-	1,737
Returned to performing status, repaid or sold	**(529)**	**(406)**	**(935)**	**-**	**(935)**	(408)	(348)	(756)	-	(756)	(534)	(453)	(987)	-	(987)
Gross impaired loans prior to write-offs	**1,955**	**996**	**2,951**	**-**	**2,951**	1,619	891	2,510	-	2,510	1,427	809	2,236	-	2,236
Write-offs	**(758)**	**(491)**	**(1,249)**	**-**	**(1,249)**	(415)	(434)	(849)	-	(849)	(408)	(346)	(754)	-	(754)
Balance at end of year	**1,197**	**505**	**1,702**	**-**	**1,702**	1,204	457	1,661	-	1,661	1,019	463	1,482	-	1,482
Allowances															
Balance at beginning of year	**476**	**510**	**986**	**1,250**	**2,236**	505	243	748	1,000	1,748	551	208	759	850	1,609
Write-offs	**(758)**	**(491)**	**(1,249)**	**-**	**(1,249)**	(415)	(434)	(849)	-	(849)	(408)	(346)	(754)	-	(754)
Provisions	**736**	**364**	**1,100**	**-**	**1,100**	346	624	970	250	1,220	292	308	600	150	750
Recoveries	**44**	**141**	**185**	**-**	**185**	44	77	121	-	121	69	75	144	-	144
Foreign exchange and other	**21**	**1**	**22**	**-**	**22**	(4)	-	(4)	-	(4)	1	(2)	(1)	-	(1)
Balance at end of year(3)	**519**	**525**	**1,044**	**1,250**	**2,294**	476	510	986	1,250	2,236	505	243	748	1,000	1,748
Net impaired loans															
Balance at beginning of year	**728**	**(53)**	**675**	**(1,250)**	**(575)**	514	220	734	(1,000)	(266)	499	228	727	(850)	(123)
Net change in gross impaired	**(7)**	**48**	**41**	**-**	**41**	185	(6)	179	-	179	(31)	27	(4)	-	(4)
Net change in allowance	**(43)**	**(15)**	**(58)**	**-**	**(58)**	29	(267)	(238)	(250)	(488)	46	(35)	11	(150)	(139)
Balance at end of year(3)	**$ 678**	**$ (20)**	**$ 658**	**$ (1,250)**	**$ (592)**	$ 728	$ (53)	$ 675	$ (1,250)	$ (575)	$ 514	$ 220	$ 734	$ (1,000)	$ (266)
Gross impaired loans less specific allowance as a percentage of total net loans and acceptances					0.40%					0.44%					0.50%
Net impaired loans and acceptances after general allowance:															
As a percentage of total net loans and acceptances					(0.36%)					(0.37%)					(0.18%)
As a percentage of shareholders' equity					(4.97%)					(5.06%)					(2.41%)

(1) Impaired loans include loan substitute securities of nil (2000: $13 million; 1999: nil) and allowances for credit losses of nil (2000: $2 million; 1999: nil) relating to loan substitute securities.
(2) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or payment of interest is contractually 90 days in arrears.
(3) Excludes allowances on letters of credit totaling $1 million (2000: $2 million; 1999: $4 million).

PROVISION FOR CREDIT LOSSES

PROVISION FOR (RECOVERY OF) CREDIT LOSSES

$ millions, for the years ended October 31	2001	2000(1)	1999(1)
Canada			
Residential mortgages	$ 3	$ 5	$ 7
Student loans	(2)	365	104
Personal loans	84	94	90
Credit card loans	270	154	94
Total consumer loans	355	618	295
Non-residential mortgages	3	5	1
Financial institutions	(2)	2	6
Service and retail industries	49	15	112
Manufacturing, consumer and capital	24	51	125
Real estate and construction	(8)	(28)	(53)
Agriculture	8	5	1
Resource-based industries	7	14	9
Telecommunications, media and technology	31	(2)	13
Transportation	1	66	-
Utilities	1	6	13
Other	4	1	(1)
Total business and government loans	118	135	226
	473	753	521
United States			
Total consumer loans	-	(6)	1
Financial institutions	2	45	15
Service and retail industries	163	61	28
Manufacturing, consumer and capital	148	29	56
Real estate and construction	(1)	(15)	(30)
Agriculture	-	-	-
Resource-based industries	50	13	1
Telecommunications, media and technology	227	12	-
Transportation	(2)	13	(3)
Utilities	8	-	-
Other	28	46	1
	623	198	69
Other countries			
Total consumer loans	9	12	12
Financial institutions	(10)	1	21
Service and retail industries	1	2	1
Manufacturing, consumer and capital	(3)	2	-
Real estate and construction	3	(6)	10
Agriculture	-	1	1
Resource-based industries	-	-	-
Telecommunications, media and technology	8	(2)	(9)
Transportation	1	6	(26)
Utilities	(5)	4	(1)
Other	-	(1)	1
	4	19	10
Credit losses charged to income			
Specific provision	1,100	970	600
General provision	-	250	150
Total credit losses charged to the consolidated statements of income	$ 1,100	$ 1,220	$ 750
As a percentage of total net loans and acceptances	0.67%	0.79%	0.51%

(1) Certain comparative figures have been restated to conform with the presentation used in 2001.

The provision for credit losses is the amount charged to income that increases the total allowance for credit losses to a level that management considers prudent to cover all probable credit-related losses in the portfolio, given existing economic conditions.

The provision for credit losses charged to income in 2001 was $1,100 million, compared with $1,220 million in 2000. The entire 2001 provision was allocated to specific allowances, with the general allowance remaining unchanged at $1.25 billion. During 2000, the provision for credit losses charged to income totaled $1,220 million, $970 million for specific allowances and $250 million for general allowances.

The specific provision of $970 million in 2000 included a $250 million additional provision for credit losses related to government-sponsored student loans, resulting in a total student loan provision of $365 million for the year. Excluding this provision of $365 million, the total specific provision for credit losses increased by $495 million in 2001. This increase was mainly attributable to the credit card loan portfolio and the business and government loan portfolio. The increase in specific provisions in the business and government loan portfolio reflects the general decline in credit conditions experienced in the U.S. since last year, primarily in the service and retail industries; manufacturing, consumer and capital; and telecommunications, media and technology industry groups.

ALLOWANCES FOR CREDIT LOSSES

The total allowance for credit losses consists of specific and general allowance components. Specific allowances are recorded when loans are identified as impaired. For business and government loans, specific allowances are established through ongoing assessments of the portfolio on an account-by-account basis, when impaired loans are identified. Specific allowances for consumer loans are determined by reference to historical ratios of write-offs to balances outstanding.

The general allowance provides for credit losses that are present in the credit portfolio, but which have not yet been specifically identified. The level to which general allowances are accumulated is based on the expected losses associated with individual asset portfolios, adjusted by management for economic or portfolio risk trends and changes in lending policies and standards. These portfolios include business loans and acceptances, off-balance sheet credit instruments, such as credit commitments and letters of credit, and consumer loans.

Expected losses for business loan portfolios are based on the risk rating of each credit facility and on loss factors associated with each risk rating that have been derived from historical experience. Expected losses for consumer loan portfolios are based on historical flow and loss rates. CIBC's general allowance methodology utilizes a portfolio-by-portfolio approach.

As at October 31, 2001, the specific allowance for credit losses was $1.05 billion, up $57 million from 2000. The change year-over-year was the result of an increase related to the consumer loan portfolio of $15 million, an increase in respect of the business and government loan portfolio of $43 million and a decrease related to letters of credit of $1 million.

During 2001, CIBC's general allowance remained unchanged at $1.25 billion, bringing the total allowance for credit losses to $2.30 billion. This amount was viewed as prudent in light of the composition of the credit portfolio, as well as continued levels of uncertainty in economic performance in the bank's major lending markets. The total allowance for credit losses is also reviewed on a quarterly basis by senior management and the Board of Directors.

The total allowance for credit losses exceeded gross impaired loans by $592 million as at October 31, 2001 compared to $575 million at the end of the prior year. While management believes that the allowance for credit losses is sufficient at October 31, 2001, future additions to the allowance will be subject to continuing evaluation of risks in the loan portfolio and changing economic conditions.

Management of market risk

Market risk is the risk of financial loss arising from changes in values of financial instruments and includes interest rate, credit spread, foreign exchange, equity, commodity and liquidity risks. CIBC is exposed to market risk in its trading portfolios, its investment portfolios, and through its asset/liability management activities.

CIBC's framework for the management of market risk comprises infrastructure, policies and procedures, and measurement and monitoring practices, which the bank believes incorporate best practice risk management standards. Market Risk Management functions independently of CIBC's business lines, and risk measurement and monitoring processes ensure that overall market risk, and its components, are well understood within the bank.

INFRASTRUCTURE

The activities of Market Risk Management are reviewed and approved, as appropriate, by the Capital and Risk Committee, the Senior Executive Team and, ultimately, by the Risk Management and Conduct Review Committee of the Board. In addition to understanding, measuring, and monitoring risks, Market Risk Management ensures that, on a daily basis, the individual components and overall market risk exposures of CIBC are within approved risk limits, and that only authorized activities are undertaken.

The quality and skills of risk managers are critical to achieving effective risk management. Each business incurring significant market risk is the focus of an experienced market risk manager, facilitating comprehensive risk coverage. Data from trading systems around the world are consolidated in a central risk management database. Centralized risk measurement and access to large amounts of risk management data support the global management of market risk through integrated risk reporting and analysis, and limit-monitoring. CIBC generates a detailed risk report and limit-monitoring summary each morning, based on the previous day's trading. This report provides an enterprise-wide view of market risk in the trading portfolios and is integral to the review of risk exposure at CIBC's trading room meeting each morning. A similar report provides an enterprise-wide view of non-trading market risks. Each day, all risk positions are monitored against authorized limits by an independent risk manager, and positions that exceed authorized limits are promptly reported to senior management. Reports on compliance with risk limits are made weekly to the Capital and Risk Committee, and quarterly to the Risk Management and Conduct Review Committee of the Board.

POLICIES AND PROCEDURES

CIBC has developed comprehensive policies and procedures for market risk management. These relate to identification and measurement of the various types of market risk, and to the establishment of limits within which CIBC manages its overall exposure. The policies explicitly state risk tolerance levels, expressed in terms of both statistically based Value-at-Risk (VaR) measures and of potential worst-case stress losses. The Risk Management and Conduct Review Committee approves overall levels of risk CIBC may assume.

CIBC uses a three-tiered approach to set market risk limits on the amounts of interest rate, credit spread, foreign exchange, commodity and equity risks that the organization can assume in its trading and non-trading activities. The first-tier limits are CIBC's overall market risk and worst-case scenario limits, and are set by the Senior Executive Team, in keeping with the risk tolerance expressed by the Risk Management and Conduct Review Committee of the Board. The second-tier limits are designed to control the risk profile of positioning activities in each business. They are established by agreement of Market Risk Management and the businesses, and are approved by the Capital and Risk Committee. The third-tier limits are delegated down to the desk level and are designed to monitor risk concentration and the impact of book-specific stress events. Policies also outline requirements for yield curve and valuation model construction, and link to accounting policies with respect to mark-to-market methodologies, and the independent valuation of positions.

MEASUREMENT AND MONITORING

Since no single measure reflects all aspects of market risk, CIBC uses several different risk measures:

- VaR – CIBC's Risk Measurement Unit (RMU) methodology enables the like-for-like comparison of risk in different businesses and asset classes.
- Stress testing and scenario analysis, which provide insight into portfolio behaviour under extreme circumstances.
- Backtesting, which validates the effectiveness of risk quantification through analysis of actual and theoretical profit and loss outcomes.

RMU METHODOLOGY

CIBC has developed and adopted a comprehensive VaR market risk measurement methodology that expresses risk in terms of RMUs. The VaR or RMU methodology is a statistically defined, probability-based approach that uses volatilities and correlations to quantify risk in dollar terms.

The RMU is CIBC's market risk measure of the potential loss from adverse market movements that can occur under normal market conditions, based on historical data and recent market experience. An RMU is defined as the overnight loss with less than a 1% probability of occurring in normal markets. The RMU methodology uses numerous risk factors as inputs, including, for example, interest rate risk, exposure to multiple yield curve points, exposure to multiple basis and spread relationships, and exposure to multiple implied volatility points. The RMU is computed through use of the historical volatility of each risk factor and the associated historical correlations among them, updated on a regular basis. A composite RMU measure is determined by aggregating the RMU measures for each of interest rate, credit spread, equity, foreign exchange and commodity market risks, and the reduction due to the portfolio effect of combining the risks. The composite RMU is then expressed as a potential worst-case loss that can occur over one day, no more than 1% of the time, or equivalently, within a confidence interval of 2.33 standard deviations, in normal markets. The model covers all financial products traded by CIBC, including foreign exchange products, derivatives, debt securities, equities and commodities. The RMU methodology is based on a variance-covariance model, supplemented by an historical simulation model.

STRESS TESTING AND SCENARIO ANALYSIS

While the RMU methodology captures CIBC's exposure to unlikely events in normal market conditions, stress testing and scenario analysis are designed to add insight to the possible outcomes of abnormal market conditions.

CIBC's stress testing measures the effect on portfolio values of a wide range of extreme moves in market prices, some based on historical experience, others defined with reference to specific book concentrations. The stress test methodology assumes that no actions are taken during the stress event to mitigate risk, reflecting the decreased liquidity that frequently accompanies market shocks.

CIBC's scenario analysis approach simulates the impact on the portfolio of extreme market events unfolding over an extended period of up to a full calendar quarter. In this case, the changing portfolio characteristics and the market movements are dynamic. This allows analysis of the impact of changes in market liquidity and potential risk mitigation strategies over time.

Scenarios are developed using actual historical market data during periods of market disruption, or are based on the hypothetical occurrence of economic events, political events and natural disasters suggested and designed by economists, business leaders and risk managers.

As of October 31, 2001, CIBC's scenario analysis program included various historical and hypothetical scenarios. Amongst the historical scenarios used were the 1987 equity market crash, the 1994 period of U.S. Federal Reserve tightening and the 1998 Russian-led crisis. The hypothetical scenarios used include potential market crises originating in North America and in Asia. Key to the effectiveness of the scenario analysis program is the timely review of the applicability of the scenarios. A number of the current hypothetical scenarios were developed during the year.

CIBC's core stress tests and scenario analyses are run daily, with further ad hoc analyses carried out on a regular basis. Limits are placed on the maximum acceptable loss to the aggregate portfolio under any worst-case scenario and on the impact of stress testing at the detailed portfolio level.

A variation of CIBC's scenario analysis model is employed to add insight to risks in the merchant banking portfolio. In this case, the simulation framework is extended to quantify potential losses over a full year.

BACKTESTING

The process of backtesting is key to the sustained integrity of CIBC's risk models. For each of CIBC's trading portfolios, and in aggregate, daily RMUs are compared with trading revenue. The backtesting process serves to confirm that actual profit and loss (P/L) outcomes are consistent with the statistical assumptions of the RMU model. This process is further enhanced through the calculation of a hypothetical or static P/L. This represents the theoretical change in portfolio value due to each day's price movements, of the prior day's closing portfolio, on the assumption that it remained unchanged. Comparison of this daily static P/L with RMU is required by the Office of the Superintendent of Financial Institutions (OSFI) and serves as a further validation of the integrity of the RMU model.

The effectiveness of stress testing and scenario analysis is demonstrated during actual periods of market disruption. For instance, a variety of CIBC's stress tests contain shocks that paralleled the actual market events following September 11, 2001. These tests provided useful insight into projected profit and loss outcomes during this crisis.

TRADING ACTIVITIES

CIBC holds positions in both liquid and less liquid traded financial instruments as a fundamental component of providing integrated financial solutions to meet client investment and risk management needs. Trading revenue is generated from these transactions with clients and, to a lesser extent, from proprietary trading. Traded instruments include debt and equity securities, as well as foreign exchange, commodity and derivative products. Positions are recorded at fair values, with realized or unrealized gains and losses from changes in fair value recognized in trading activities as non-interest income, while net interest earned on trading positions after funding is reflected as net interest income in the consolidated statements of income. Trading and related risk management strategies can periodically shift revenue between trading activities and net interest income. Therefore, trading revenue includes net interest income earned on trading portfolios in addition to net gains or losses from trading activities.

TRADING REVENUE

$ millions, for the years ended October 31	**2001**	2000	1999
Net interest income (TEB)	**$ (201)**	$ (260)	$ 2
Trading activities	**1,343**	1,140	714
Total trading revenue	**$ 1,142**	$ 880	$ 716
By type:			
Interest rate	**$ 505**	$ 231	$ 296
Foreign exchange[1]	**179**	199	154
Equities	**391**	394	119
Commodities and other[2]	**67**	56	147
Total trading revenue	**$ 1,142**	$ 880	$ 716

(1) Revenue earned on foreign exchange for other than trading activities is included in other non-interest income. Certain revenue generated from transactions where the rates are negotiated with foreign currency trading desks has been reclassified to trading. Comparative figures have been restated to conform with the presentation adopted in 2001.
(2) Includes asset swaps, credit derivatives and secondary loan trading and sales.

In 2001, total trading revenue was $1,142 million, which increased by $262 million over the prior year. The increase was due primarily to a reduction in interest funding costs on traded instruments as a result of interest rate reductions in 2001, partially offset by the effects of weaker markets this year and the fourth quarter market impact of September 11, 2001. In addition, trading revenue benefited in 2001 from increased revenue in the fixed income businesses.

In 2000, trading revenue was $880 million, which increased by $164 million over 1999. The increase was due to significant revenue growth in equity structured products and U.S. institutional equity activities, driven in part by strong market activities during 2000.

The RMU by risk type table below shows the mix of market risks through fiscal 2001 by type of risk and aggregate risk. These risks are interrelated and consequently are only additive after taking into account the diversification effect, which reflects the reduction of risk due to portfolio effects among the trading positions. CIBC's trading risk exposures to interest rates arise from activities in the global debt and money markets, particularly from transactions in Canadian, U.S., European and Japanese markets. The primary instruments are government and corporate debt, and interest rate swaps. The bulk of the trading exposure to foreign exchange risk arises from transactions involving the U.S. dollar, the Euro, the British pound, and the Japanese yen, whereas the primary risks of loss in equities are in the U.S., Canadian and European equity markets. During 2001, aggregate risk levels were significantly lower than in 2000, with reductions concentrated primarily in equity and credit spread risks. Limitations on significant directional exposure and active securities inventory management were major components in constraining risk, consistent with the bank's goal of low earnings volatility.

RMU BY RISK TYPE – TRADING PORTFOLIO

$ millions	**2001 year-end**	**2001 average**	2000 year-end	2000 average
Interest rate risk	**$ 6.14**	**$ 7.05**	$ 6.37	$ 9.97
Credit spread risk	**6.72**	**8.50**	13.25	14.59
Equity risk	**8.33**	**9.81**	14.07	13.97
Foreign exchange risk	**0.87**	**0.81**	0.86	1.51
Commodity risk	**1.05**	**1.16**	0.96	1.39
Diversification effect	**(11.95)**	**(13.13)**	(15.02)	(18.48)
Total risk	**$ 11.16**	**$ 14.20**	$ 20.49	$ 22.95

The histogram on the next page presents the frequency distribution of daily trading revenue for fiscal 2001. Trading revenue was positive for 81% of the days in 2001, compared with 74% in 2000 and 72% in 1999. Average daily trading revenue was $4.4 million in 2001, compared with $3.5 million in 2000 and $2.9 million in 1999.

The trading revenue and RMU backtesting graph on the next page compares the 2001 actual daily trading revenue with the previous day's RMU measures. As indicated previously, these VaR measures are derived from statistically defined probability-based models that use CIBC's market positions and prior market correlations and volatilities under normal market conditions. Statistically, trading losses would be expected to exceed the negative RMU by an equivalent of two to three times per year. As shown on this graph, there were no occasions on which actual daily trading revenue fell below the range predicted by the previous day's RMU.

NON-TRADING ACTIVITIES

CIBC's business includes managing market risk exposures arising from non-trading activities. These risks include interest rate, foreign exchange and equity exposures arising from the retail customer banking business, merchant banking portfolios and other non-trading activities. Foreign exchange exposures arising from structural on-balance sheet assets and liabilities and from investments in foreign operations are also included in non-trading activities.

The RMU by risk type table on the next page shows the mix of non-trading risks by type of risk and aggregate risk. These risks are interrelated, and consequently, are only additive after taking into account the diversification effect that reflects the reduction of risk due to portfolio effects among the different positions. During 2001, risk levels were significantly lower than in 2000, with reductions concentrated primarily in interest rate risk, consistent with our strategy of reduced directional positions in the asset/liability

gap. Reduced equity risk levels resulted from enhanced measurement methodologies and improved hedging of equity-linked retail products.

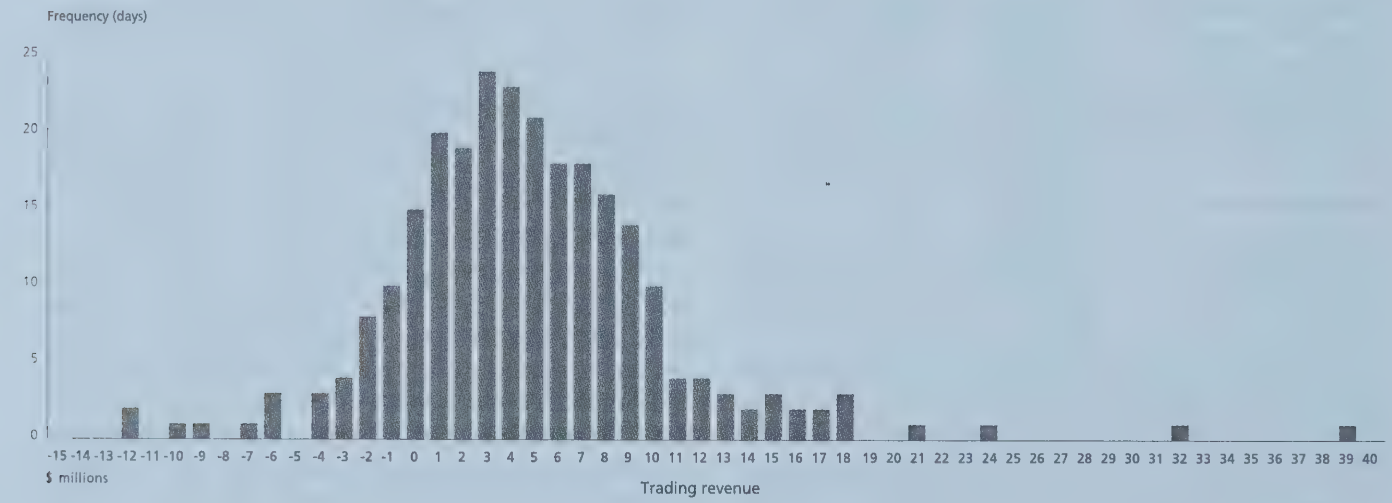
Due to the illiquid nature of many of the merchant banking investments, CIBC does not employ overnight RMU as a risk measure for these portfolios. Instead, they are measured and monitored in notional terms, and are subject to scenario analysis, which simulates potential losses over a one-year timeframe.

Non-trading interest rate risk consists primarily of risk inherent in asset/liability management activities and the activities of foreign and domestic subsidiaries. Interest rate risk results from differences in the maturities or repricing dates of assets and liabilities, both on- and off-balance sheet, as well as from embedded optionality in retail products. This optionality arises predominantly from the prepayment exposures of mortgage products, mortgage commitments and some GIC products with early redemption features. These outright interest rate risk and option exposures are managed, and are reviewed by the Senior Executive Team at its weekly Asset/Liability Committee meeting. A variety of cash instruments and derivatives, principally interest rate swaps, futures and options, are used to manage and control these risks. Derivatives are used to modify the interest rate characteristics of related balance sheet instruments and to hedge anticipated exposures.

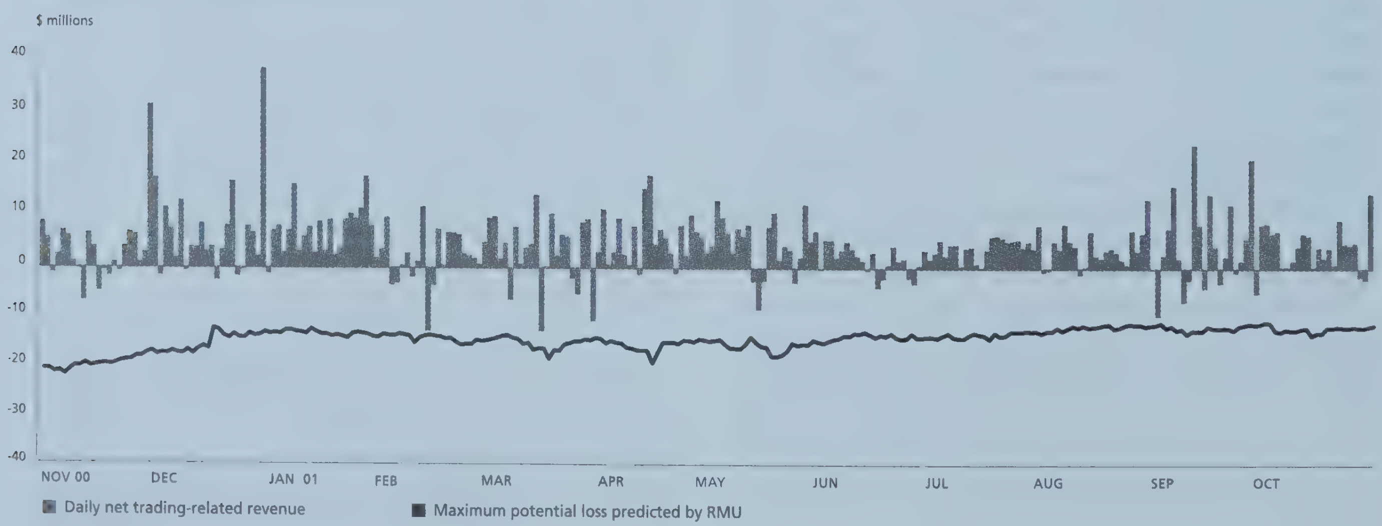
RMU BY RISK TYPE – NON-TRADING PORTFOLIO

$ millions	**2001 year-end**	**2001 average**	2000 year-end	2000 average
Interest rate risk	**$ 50.91**	**$ 50.12**	$ 70.41	$ 107.05
Credit spread risk	**1.52**	**1.61**	-	-
Equity risk	**2.11**	**8.07**	14.30	12.90
Foreign exchange risk	**0.64**	**0.49**	0.31	0.36
Diversification effect	**(4.52)**	**(6.16)**	(5.39)	(2.66)
Total risk	**$ 50.66**	**$ 54.13**	$ 79.63	$ 117.65

FREQUENCY DISTRIBUTION OF DAILY 2001 TRADING REVENUE



BACKTESTING OF TRADING REVENUE VS. RMU



CIBC's total non-trading interest rate risk exposure, as at October 31, 2001, is outlined in Note 11 to the consolidated financial statements. On- and off-balance sheet assets and liabilities are reported in timeframes based on the earlier of their contractual repricing date or maturity date. It should be noted that this reported interest rate position presents CIBC's risk exposure only at a point in time. Exposure can change depending on customer preference for products and terms, including mortgage prepayment or other option exercise, and the nature of CIBC's management of the various and diverse portfolios that comprise the consolidated interest rate risk position. Given CIBC's consolidated maturity and repricing portfolio profile at October 31, 2001, as adjusted for estimated prepayments, an immediate 1% increase in interest rates across all maturities would reduce net income after taxes by approximately $34 million over the next 12 months, and common shareholders' equity as measured on a present value basis by approximately $355 million.

Non-trading equity exposure arises primarily from merchant banking activities, as well as from equity-linked retail products (equity-linked GICs), including embedded optionality, and associated hedges. A variety of cash instruments and derivatives, including equity swaps, futures and options, are used to manage and control these risks.

Non-trading foreign exchange risk of the CIBC consolidated balance sheets arises primarily from structural on-balance sheet assets and liabilities and from investments in foreign operations. CIBC's approach to the structural foreign exchange position is designed to ensure this exposure is minimized.

CIBC offers and originates a broad array of retail products with various market risk characteristics. Changes in market conditions, customer behaviour and competitive market pressures can have an impact on the market risk exposure and retail margins earned from these products.

Management of liquidity risk

CIBC's liquidity risk framework is designed to ensure the availability of sufficient funds to honour all financial commitments in the most cost-effective manner possible.

CIBC's approach to managing liquidity exposure is based upon a comprehensive framework comprised of infrastructure, policies and procedures, and measurement and monitoring techniques, including scenario analysis. Liquidity risk is actively managed with a view to exposure containment and mitigation.

INFRASTRUCTURE

Global liquidity management is the responsibility of Treasury. Management of funding requirements is provided by major regional funding centres in North America, Europe and Asia. Reports are prepared on a daily basis to monitor compliance with approved liquidity guidelines and limits. Market Risk Management has the responsibility to independently oversee and verify the compliance monitoring process.

POLICIES AND PROCEDURES

CIBC has established a comprehensive liquidity policy that is reviewed and approved by the Risk Management and Conduct Review Committee of the Board on an annual basis. The policy includes guidelines and limits on net cash outflows, minimum liquid asset inventories and funding diversification measures.

CIBC's liquidity policy also takes into account that the bank operates across a variety of jurisdictions with a number of operating subsidiaries. As such, the funding strategy is designed to ensure compliance with all governing regulatory restrictions on the intercompany transfer of funds within the CIBC group, and to ensure appropriate liquidity in each of those jurisdictions.

MEASUREMENT AND MONITORING

CIBC has measurement systems to monitor actual and expected inflows and outflows of funds on a daily basis from on- and off-balance sheet exposures. This measurement system provides detailed liquidity reports that are integral to the containment of liquidity risk exposure through the use of a prudent distribution of liability maturities to ensure net cash outflows in any given time horizon are manageable.

CIBC's liquidity management framework also includes the use of scenario analysis, which is designed to measure the potential liquidity impact of abnormal market conditions on the bank's liquidity profile. These scenarios are intended to provide further insight into potential liquidity exposures under extreme market conditions. As part of the bank's operating procedures, contingency plans for responding to liquidity stress events have been established.

In addition to controlling net cash outflows, the bank further mitigates liquidity risk exposure through the maintenance of term funded pools of higher quality liquid assets. These liquid assets can be sold or pledged as secured borrowing to provide a ready source of cash. CIBC's total securities portfolio of $74.8 billion is summarized in Note 2 to the consolidated financial statements and includes liquid assets of $57.6 billion. For pledging purposes, CIBC also had $24.1 billion of securities borrowed or purchased under resale agreements as at October 31, 2001. In the course of CIBC's regular business activities, certain assets were pledged as part of collateral or funding management. The amount of pledged assets was $44.3 billion as at October 31, 2001.

CIBC's funding strategy includes development of diverse sources of domestic and international funds and is managed out of several regional centres on a global basis. A broad base of funding products, including retail and wholesale funding sources, is used to meet the liquidity needs of the consolidated bank. Funding strategies also involve securitizations and note issuance, as balance sheet and market conditions warrant. CIBC is also an active participant in the capital markets.

At October 31, 2001, Canadian dollar deposits from individuals totaled $59.2 billion, providing a stable and secure source of funding. CIBC issued a total of $11.5 billion in wholesale term vehicles, including $810 million of securitization of retail assets during fiscal 2001. Further details on the composition of deposits are provided in Note 8 to the consolidated financial statements and in the supplementary annual financial information on page 108.

Management of operational risk

Operational risk is inherent in all of CIBC's activities and is defined as the potential loss that could arise from failures in internal controls, which encompass information systems, operating processes and employee integrity. The resulting losses may be financial or non-financial in nature, such as the loss of reputation or regulatory standing. Operational risk excludes losses that are directly attributable to either credit or market risk.

CIBC's framework for the management of operational risk comprises infrastructure, policies and procedures, and measurement and monitoring practices that are designed to promote a strong internal control structure within all levels of the bank.

INFRASTRUCTURE

Under the bank's integrated internal control framework that governs the management of operational risk, businesses have responsibility for the day-to-day management of operational risks. They are supported in this by CIBC infrastructure groups, such as Treasury, Balance Sheet and Risk Management; Legal and Compliance; Technology and Operations; Finance; and Human Resources. These groups establish corporate-wide policies, provide consultative and advisory services, and perform governance activities. These include monitoring the effectiveness of controls and reporting back to the Senior Executive Team and the Board. CIBC's independent Internal Audit function plays an important role in the governance process through regular reporting to the Senior Executive Team and the Board of Directors on the effectiveness of, and adherence to, internal control policies and procedures.

The Operations and Administration Committee directs the management of operational risk and oversees the effectiveness of the CIBC internal control framework within the parameters and strategic objectives established by the Senior Executive Team. The Senior Executive Team is accountable to the Board of Directors for maintaining a strong and disciplined internal control environment that provides reasonable assurance of prudent operational risk management and an effective internal control structure.

POLICIES AND PROCEDURES

CIBC has a comprehensive set of policies that are designed to measure, monitor and control operational risk associated with people, processes and technology, and to promote a sound internal control structure across the organization. For instance, people risk is mitigated through human resource policies and practices, including employee training and development, comprehensive recruiting and screening programs and selection criteria, as well as formal compliance and ethical codes of conduct and corporate security programs. Process risk is mitigated through procedural controls, such as requirements for clear delegation of authority and segregation of duties, documentation of policies and procedures, safeguarding and recordkeeping controls and the provision of timely and accurate management information for monitoring and decision-making purposes. Lastly, technology risk is managed through controls over systems development and change management, as well as through information security programs and system access controls. As a result, people, processes and technology are managed so that operational risk is maintained at appropriate levels, given CIBC's business strategy and the environment in which it operates.

While operational risk can be minimized through a sound internal control structure, it can never be fully eliminated. In the event that risk materializes into a loss, CIBC will seek to cover the loss through earnings, capital and, for certain types of losses, insurance. Furthermore, the risks of catastrophic loss are covered through risk avoidance or risk control programs that reduce the probability or potential severity of such losses to within acceptable corporate parameters. For example, CIBC maintains a comprehensive corporate insurance program to protect its earnings from potential unexpected high-severity losses arising from criminal activity, property loss or damage, and liability exposures. CIBC also has in place a global business continuity management program to ensure that its key business functions will continue and normal operations will be restored effectively and efficiently in the event of a major unexpected disaster affecting the bank's operations. The business continuity plan is continuously updated and was successfully activated in May 2001 in response to a business disruption resulting from a fire adjacent to one of the bank's major facilities in northwest Toronto, and, once again, following the September 11, 2001 events that affected CIBC's New York operations.

MEASUREMENT AND MONITORING

CIBC has developed an operational VaR measure that uses historical loss information, where available, supplemented by scenario analysis, to derive frequency and loss given event (severity) distributions. These frequency and severity distributions are used to derive the operational risk loss distribution, which forms a measurement basis for managing operational risk, and is used to determine the operational risk component of economic capital. In line with the Bank for International Settlements (BIS) proposals with respect to operational risk, the operational VaR model currently measures the following financial loss types:

- *Legal liability,* including third-party lawsuits;
- *Regulatory, compliance and tax penalties,* including fines and the direct cost of other penalties, such as licence revocations;
- *Loss or damage to assets,* including direct reduction in the value of physical assets and physical certificates, which result from an accident;
- *Transaction errors,* including restitution payments (principal and / or interest) or other compensation to clients, as well as disbursements made to incorrect parties that are not recovered; and
- *Theft, fraud and unauthorized activities.*

Management of regulatory capital and capital ratios

CAPITAL STRENGTH

CIBC is one of the most strongly capitalized banks in Canada. Capital strength is important to protect CIBC's depositors and creditors from risks inherent in CIBC's various businesses, to enable CIBC to take advantage of attractive business opportunities, and to maintain CIBC's favourable credit standing.

INFRASTRUCTURE

Balance Sheet (including Capital) Management is responsible for ensuring that CIBC remains strongly capitalized and for managing capital in CIBC's legal entities, as well as the consolidated bank. This includes managing the issuance and purchase of common shares, as well as the issuance, purchase, redemption or conversion of preferred shares and subordinated indebtedness, in order that the bank's capital is structured in the most effective manner.

POLICIES AND PROCEDURES

The Board of Directors approves the bank's capital management policies and capital plan on an annual basis. These policies set CIBC's capital levels to meet or exceed regulatory requirements specified in guidelines issued by OSFI, market expectations for capital strength and internal assessments of economic capital. Internal assessments, which are determined using risk measurement techniques, are outlined as part of the management of risk and capital section. CIBC manages its capital level and capital mix within its policy framework to maximize shareholder value.

MEASUREMENT AND MONITORING

Regulatory capital requirements are determined in accordance with guidelines issued by OSFI. These requirements are explained in Note 17 to the consolidated financial statements.

The components of CIBC's regulatory capital are shown in the accompanying table. Tier 1 capital increased by $242 million during 2001 due to solid earnings and the issuance of $400 million in preferred shares, partially offset by the purchase of common shares and increased goodwill. Tier 2 capital decreased by $249 million from 2000, which reflects the redemption or exchange for deposit obligations of certain outstanding debentures. In addition, substantial investments increased, resulting in a larger reduction from total regulatory capital.

OSFI has indicated that Tier 1 and total regulatory capital ratios of a well-capitalized deposit-taking financial institution should be at least 7% and 10%, respectively. As at October 31, 2001, CIBC was well above this standard. The bank's Tier 1 capital ratio was 9.0% and the total capital ratio was 12.0%.

The capital ratio targets presented on page 39 are established on the basis of a number of factors, including the bank's standing among peers, and the expectations of rating agencies and bank analysts. Generally, capital ratios among Canadian banks have been increasing in recent years, and strong ratios are prudent in uncertain and volatile markets. CIBC's capital ratio targets have been adjusted accordingly.

Financial institutions must also meet a leverage ratio (or assets-to-capital multiple) test. CIBC's leverage ratio was 17.7 times capital, well within the permitted maximum.

REGULATORY CAPITAL AND CAPITAL RATIOS

$ millions, as at October 31	**2001**	2000	1999
Tier 1 capital			
Common shares	**$ 2,827**	$ 2,868	$ 3,035
Retained earnings	**6,774**	6,625	6,090
Non-cumulative preferred shares	**2,299**	1,876	1,933
Shareholders' equity	**11,900**	11,369	11,058
Non-controlling interests in subsidiaries	**249**	248	204
Goodwill	**(400)**	(110)	(123)
	11,749	11,507	11,139
Tier 2 capital			
Perpetual debentures	**638**	614	686
Other debentures (net of amortization)	**3,259**	3,672	3,768
General allowance for credit losses(1)	**1,137**	997	1,000
	5,034	5,283	5,454
Total Tier 1 and Tier 2 capital	**16,783**	16,790	16,593
Securitization-related deductions	**(396)**	(308)	(288)
Investments in unconsolidated subsidiaries and other substantial investments	**(787)**	(428)	(870)
Total capital available for regulatory purposes	**$ 15,600**	$ 16,054	$ 15,435
Total risk-weighted assets (see page 58)	**$ 129,938**	$ 132,893	$ 134,567
Regulatory capital ratios			
Tier 1 capital	**9.0%**	8.7%	8.3%
Total capital	**12.0%**	12.1%	11.5%
Leverage ratio	**17.7x**	16.3x	16.3x

(1) The maximum amount of general allowances for credit losses eligible for inclusion in Tier 2 capital was increased to 0.875% of risk-weighted assets effective October 31, 2001, up from 0.75% of risk-weighted assets previously.

Risk-weighted assets

Risk-weighted assets are calculated in accordance with guidelines issued by OSFI, as explained in Note 17 to the consolidated financial statements.

As shown in the table below, CIBC's risk-weighted assets were $129.9 billion as at October 31, 2001, a decrease of $3.0 billion as a result of decreases in lines of credit, guarantees and letters of credit, and market risk in the trading portfolio.

CHANGES IN REGULATORY CAPITAL REQUIREMENTS

In 1999, the BIS launched a major review of the capital requirements as a result of many changes that have taken place in the financial marketplace. This review will address more sophisticated techniques for measuring credit risk and will introduce a capital charge for operational risk. The expected implementation date for any requirements that may result from this review is during fiscal 2005.

RISK-WEIGHTED ASSETS

		Risk-Weighted Amounts		
$ millions, as at October 31	Amount	**2001**	2000	1999
On-balance sheet assets (Balance sheet amounts)				
Cash resources	$ 11,350	**$ 1,685**	$ 1,550	$ 1,936
Securities issued or guaranteed by Canada, provinces, municipalities, OECD banks and governments	41,099	**810**	313	101
Other securities	33,695	**4,433**	4,776	5,130
Loans to or guaranteed by Canada, provinces, territories, municipalities, OECD banks and governments	6,214	**327**	416	306
Mortgage loans	61,983	**19,501**	16,699	14,750
Other loans	87,443	**63,997**	63,785	60,118
Acceptances	8,100	**7,485**	8,935	9,012
Other assets	37,590	**7,463**	6,217	5,758
Total on-balance sheet assets	$ 287,474	**$ 105,701**	$ 102,691	$ 97,111
Off-balance sheet instruments (Contract/Notional amounts)				
Credit-related arrangements				
Lines of credit	$ 103,569	**$ 9,121**	$ 11,640	$ 15,700
Guarantees and letters of credit	9,251	**4,620**	5,664	8,098
Securities lent	16,283	**242**	354	161
Other	310	**310**	293	324
	129,413	**14,293**	17,951	24,283
Derivatives	1,269,249	**6,072**	5,583	6,249
Total off-balance sheet instruments	$ 1,398,662	**$ 20,365**	$ 23,534	$ 30,532
Total risk-weighted assets before adjustments for market risk		**$ 126,066**	$ 126,225	$ 127,643
Add: Market risk for trading activity(1)		**3,872**	6,668	6,924
Total risk-weighted assets		**$ 129,938**	$ 132,893	$ 134,567

(1) Under the BIS 1998 Capital Accord, effective January 1998, trading assets are subject to market risk calculations.

Business environment

Economic

In contrast to the year 2000, the Canadian economy was sluggish in early 2001, with a weakening U.S. economy contributing to slower growth in Canada. Monetary tightening by the Bank of Canada during 2000 also had a depressing effect on consumer spending and investment in the final months of the year. Early in calendar 2001, the effects of tax cuts, announced in the government's October 2000 economic statement, provided a boost to disposable incomes. The effects of lower taxes were reinforced by an easing of monetary policy by the Bank of Canada. The combination of fiscal stimulus and lower interest rates reinforced consumer spending and continued to support housing demand throughout the year. As a result, interest income from consumer loans and mortgages increased through the first three quarters of the fiscal year.

Mortgage rates and existing home sales[1]

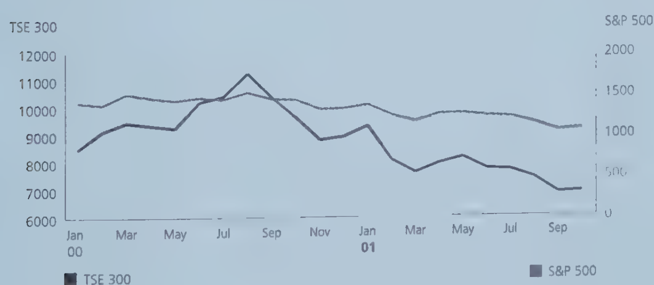
Despite the fact that U.S. and Canadian monetary authorities reduced interest rates through the first half of the year, there was concern that the North American economies would slip into recession. With the growing uncertainty causing financial markets to become more volatile, investors generally became more cautious. The weakening investment climate resulted in decreased revenue in CIBC World Markets during the second and third fiscal quarters. As well, the deteriorating investment climate had an adverse impact on CIBC's Wealth Management business line due to reduced transaction-based revenue and fee-based revenue earned on market-valued assets.

Markets were further challenged by the September 11, 2001 events. This resulted in further revenue reductions in CIBC World Markets and Wealth Management during the fourth quarter. Despite the heightened climate of uncertainty among investors and consumers, housing demand across the country was relatively resilient due to the cumulative effects of lower interest rates that improved affordability for homebuyers.

OUTLOOK

Looking ahead to 2002, the economic prospects for Canada and North America remain uncertain as a result of the September 11, 2001 events. Weak economic conditions are likely to persist through the first half of the year if investors and consumers are unable to quickly overcome the prevailing cautious mood. However, the effects of lower interest rates in North America, together with the recently announced U.S. federal relief packages and previously announced tax relief in the U.S. and Canada, should combine to provide a significant degree of monetary and fiscal stimuli with the potential to spur growth in 2002. Barring another unsettling event for investors and consumers, confidence should strengthen as the year progresses. Nevertheless, the process of economic recovery will probably be dampened by structural changes taking place, including increased spending on defense and a greater focus on security. This latter development could have a negative impact on businesses that are dependent on cross-border trade.

Stock price index



Index of consumer confidence[1]

(1) Based on data available at completion of the annual report.

Regulatory

The CIBC group of companies is subject to complex and changing legal and regulatory environments in Canada and other jurisdictions. The principal regulators include the federal, provincial and territorial governments in Canada and the governments of the U.S. and other countries where CIBC conducts business. Securities regulators and self-regulatory organizations, such as stock exchanges, also regulate CIBC's activities.

In October 2001, the government of Canada proclaimed into force major amendments to the current legislation affecting federally regulated financial institutions. The changes also affect the regulatory agencies, the payments system and the deposit insurance system. A new agency has been created to ensure compliance with consumer provisions of federal financial legislation, as well as to monitor industry self-regulatory codes, promote consumer awareness and respond to consumer enquiries. There are many new consumer provisions in the amended legislation dealing with branch closures, account openings and other matters. Details of the requirements will be contained in the regulations.

These amendments have increased industry competitiveness by making it easier to enter the banking business through broader access to the payments system, as well as a number of other initiatives. As a result, CIBC expects to see even greater competition in future years. However, greater flexibility for financial institutions has been provided for in the legislation through holding companies and other broader structural options available within each financial group.

CIBC is also subject to the bylaws of the Canada Deposit Insurance Corporation (CDIC). These bylaws require adherence to standards of sound business and financial practices intended to ensure that member institutions are prudently managed. These standards and some of the bylaws have recently been amended, and the timing and reporting methods of CDIC requirements have been altered. CIBC's internal self-assessment process that evaluates adherence to each of the standards will address the new CDIC requirements. CIBC will continue to make an annual attestation statement to CDIC that includes a resolution of the Board of Directors. However, the frequency of reports to CDIC will depend upon the annual rating received by CIBC under the CDIC Differential Premiums Bylaw.

Legislative changes in other countries, as well as their examination, regulatory and supervisory practices and decisions, also exert considerable influence over the CIBC group of companies.

Comprehensive policies and procedures are in place to promote compliance with applicable laws and regulations by CIBC and its subsidiaries, their directors, management and employees. Management is responsible for ongoing compliance with such laws and regulations, and CIBC's Compliance and Internal Audit functions each have a mandate to assess and report on the performance of management in discharging its governance responsibilities.

Accounting and reporting developments

COMPLIANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (U.S. GAAP)

As a Canadian company, CIBC's consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP).

Effective November 13, 1997, CIBC was listed on the New York Stock Exchange. In anticipation of the New York Stock Exchange listing, CIBC's 1996 and subsequent financial statements include additional note disclosure in accordance with U.S. GAAP. To a large extent, Canadian and U.S. GAAP are consistent. However, in those instances where Canadian and U.S. GAAP are not consistent, Canadian GAAP prevails. Material differences are explained and quantified in Note 26 to the consolidated financial statements.

FUTURE ACCOUNTING POLICY CHANGES

The impact of recently issued Canadian accounting standards to be implemented in the future is explained in Note 28 to the consolidated financial statements. The impact of recently issued U.S. accounting standards to be implemented in the future is explained in Note 26 to the consolidated financial statements.

Consolidated financial results

CONTENTS

Financial reporting responsibility of management

The management of Canadian Imperial Bank of Commerce (CIBC) is responsible for the preparation of the Annual Report, which includes the consolidated financial statements. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, including the accounting requirements of the Superintendent of Financial Institutions, Canada (OSFI) and, of necessity, contain items that reflect the best estimates and judgments of management. All other financial information contained in the Annual Report is consistent with the consolidated financial statements.

In meeting its responsibility for the reliability and integrity of the consolidated financial statements, management has developed, and maintains, a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded and liabilities are recognized. The system focuses on the need for the employment and training of qualified and professional staff, effective communication between management and staff, and management guidelines and policies. The system also addresses the need for established policies on social responsibility and corporate conduct and a management organization philosophy which reflects accountability within delineated areas of responsibility.

The accounting, reporting and internal control systems are reviewed by the Chief Inspector and his staff who examine and review all aspects of CIBC's operations. Systems and procedures to ensure employee compliance with conflict of interest rules and with securities legislation are monitored by the Compliance Officer. The Chief Inspector and the Compliance Officer have full and independent access to the Audit Committee of the Board of Directors of CIBC.

The Audit Committee is composed of directors who are not officers or employees of CIBC. CIBC's interim and annual consolidated financial statements are discussed and reviewed by the Audit Committee with each of management, the Chief Accountant and the shareholders' auditors, in the presence of the Chief Inspector and the Executive Vice-President, Legal and Compliance, before the statements are approved by the Board of Directors.

In addition, the Audit Committee has the duty to review the adoption of, and changes in, accounting principles and practices which have a material effect on the consolidated financial statements; to review investments and transactions that could adversely affect the well-being of CIBC which are brought to the attention of the Committee by the Chief Inspector and the shareholders' auditors or any officer of CIBC; to review financial reports requiring Board approval prior to submission to securities commissions or other regulatory authorities; to help develop CIBC's financial disclosure philosophy; to assess and review key management estimates and judgments material to reported financial information; and to review the shareholders' auditors' fees.

The consolidated financial statements and management's discussion and analysis, contained in the Annual Report, have been reviewed by the Audit Committee and, on their recommendation, approved by the Board of Directors.

J.S. HUNKIN
Chairman and
Chief Executive Officer

T.D. WOODS
Chief Financial Officer
December 6, 2001

Auditors' report to shareholders

We have audited the consolidated balance sheets of Canadian Imperial Bank of Commerce (CIBC) as at October 31, 2001 and 2000 and the consolidated statements of income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended October 31, 2001. These consolidated financial statements are the responsibility of CIBC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of CIBC as at October 31, 2001 and 2000 and the results of its operations and its cash flows for each of the years in the three-year period ended October 31, 2001 in accordance with Canadian generally accepted accounting principles including the accounting requirements of the Superintendent of Financial Institutions, Canada.

ARTHUR ANDERSEN LLP
PRICEWATERHOUSECOOPERS LLP
Chartered Accountants
Toronto, Canada
December 6, 2001

Consolidated financial statements

CONSOLIDATED BALANCE SHEETS

$ millions, as at October 31	2001	2000
ASSETS		
Cash resources		
Cash and non-interest-bearing deposits with banks	**$ 1,528**	$ 1,383
Interest-bearing deposits with banks	**9,822**	9,296
	11,350	10,679
Securities (Note 2)		
Securities held for investment	**22,849**	15,864
Securities held for trading	**51,798**	53,217
Loan substitute securities	**147**	161
	74,794	69,242
Loans (Note 4)		
Residential mortgages	**58,728**	51,898
Personal and credit card loans	**27,909**	27,452
Business and government loans	**46,174**	47,091
Securities borrowed or purchased under resale agreements	**24,079**	20,461
General allowance for credit losses	**(1,250)**	(1,250)
	155,640	145,652
Other		
Derivative instruments market valuation (Note 19)	**25,723**	23,847
Customers' liability under acceptances	**8,100**	9,088
Land, buildings and equipment (Note 6)	**1,769**	1,508
Other assets (Note 7)	**10,098**	7,686
	45,690	42,129
	$ 287,474	$ 267,702
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits (Note 8)		
Individuals	**$ 66,826**	$ 63,109
Businesses and governments	**114,270**	103,141
Banks	**13,256**	13,382
	194,352	179,632
Other		
Derivative instruments market valuation (Note 19)	**26,395**	24,374
Acceptances	**8,100**	9,088
Obligations related to securities sold short	**11,213**	13,992
Obligations related to securities lent or sold under repurchase agreements	**21,403**	14,199
Other liabilities (Note 9)	**10,112**	10,630
	77,223	72,283
Subordinated indebtedness (Note 10)	**3,999**	4,418
Shareholders' equity		
Preferred shares (Note 12)	**2,299**	1,876
Common shares (Note 12)	**2,827**	2,868
Retained earnings	**6,774**	6,625
	11,900	11,369
	$ 287,474	$ 267,702

The accompanying notes are an integral part of the consolidated financial statements.

J.S. HUNKIN
Chairman and Chief Executive Officer

I.E.H. DUVAR
Director

CONSOLIDATED STATEMENTS OF INCOME

$ millions, for the years ended October 31		2001	2000[1]	1999[1]
Interest income				
Loans		**$ 10,818**	$ 11,467	$ 11,215
Securities		**3,530**	3,297	2,692
Deposits with banks		**426**	563	498
		14,774	15,327	14,405
Interest expense				
Deposits and other liabilities		**9,925**	10,728	9,691
Subordinated indebtedness		**300**	317	306
		10,225	11,045	9,997
Net interest income (Note 2)		**4,549**	4,282	4,408
Provision for credit losses (Note 4)		**1,100**	1,220	750
		3,449	3,062	3,658
Non-interest income				
Fees for services	Underwriting	**614**	886	700
	Deposit	**521**	503	490
	Credit	**493**	508	495
	Card	**363**	368	314
	Trust and custodial	**322**	379	305
	Mutual funds	**351**	358	250
	Insurance	**100**	124	214
		2,764	3,126	2,768
Commissions on securities transactions		**1,089**	1,480	1,181
Trading activities (Note 2)		**1,343**	1,140	714
Investment securities gains, net		**575**	970	378
Income from securitized assets		**223**	237	200
Other		**619**	844	487
		6,613	7,797	5,728
		10,062	10,859	9,386
Non-interest expenses				
Employee compensation and benefits		**4,732**	4,937	4,388
Occupancy costs		**631**	634	594
Computer and office equipment		**834**	758	849
Communications		**412**	371	380
Advertising and business development		**286**	273	283
Professional fees		**327**	240	211
Business and capital taxes		**109**	108	127
Restructuring charge (Note 27)		**207**	(31)	426
Events of September 11, 2001 (Note 25)		**7**	-	-
Other		**681**	806	740
		8,226	8,096	7,998
Income before income taxes and non-controlling interests		**1,836**	2,763	1,388
Income taxes (Note 15)		**92**	641	320
		1,744	2,122	1,068
Non-controlling interests in net income of subsidiaries		**58**	62	39
Net income		**$ 1,686**	$ 2,060	$ 1,029
Dividends on preferred shares (Note 12)		**$ 121**	$ 128	$ 112
Net income applicable to common shares		**1,565**	1,932	917
		$ 1,686	$ 2,060	$ 1,029
Average number of common shares outstanding (in thousands)	- Basic	**372,305**	388,951	409,789
	- Fully diluted	**388,236**	404,569	422,501
Net income per common share (in dollars) (Note 16)	- Basic	**$ 4.20**	$ 4.97	$ 2.23
	- Fully diluted	**$ 4.07**	$ 4.84	$ 2.22
Dividends per common share (in dollars) (Note 12)		**$ 1.44**	$ 1.29	$ 1.20

(1) Certain comparative figures have been restated to conform with the presentation used in 2001.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

$ millions, as at or for the years ended October 31	2001	2000	1999
Preferred shares (Note 12)			
Balance at beginning of year	**$ 1,876**	$ 1,933	$ 1,961
Issue of preferred shares	**400**	345	-
Redemption of preferred shares	**-**	(425)	-
Translation adjustment on foreign currency preferred shares	**23**	23	(28)
Balance at end of year	**$ 2,299**	$ 1,876	$ 1,933
Common shares (Note 12)			
Balance at beginning of year	**$ 2,868**	$ 3,035	$ 3,128
Issue of common shares	**90**	34	10
Purchase of common shares for cancellation	**(131)**	(201)	(103)
Balance at end of year	**$ 2,827**	$ 2,868	$ 3,035
Retained earnings			
Balance at beginning of year, as previously reported	**$ 6,625**	$ 6,090	$ 6,047
Adjustment for change in accounting policy (Note 14)	**(140)**	-	-
Balance at beginning of year, as restated	**$ 6,485**	$ 6,090	$ 6,047
Net income	**1,686**	2,060	1,029
Dividends (Note 12)	**(657)**	(629)	(604)
Premium on redemption of preferred shares	**-**	(17)	-
Premium on purchase of common shares	**(736)**	(873)	(397)
Foreign currency translation adjustment, net of income taxes[1]	**38**	8	(4)
Other	**(42)**	(14)	19
Balance at end of year	**$ 6,774**	$ 6,625	$ 6,090

(1) The cumulative balance in the foreign currency translation account is a gain (loss) of $40 million (2000: $2 million; 1999: $(6) million).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

$ millions, for the years ended October 31	2001	2000(1)	1999(1)
Cash flows provided by (used in) operating activities			
Net income	**$ 1,686**	$ 2,060	$ 1,029
Adjustments to determine net cash flows:			
Provision for credit losses	**1,100**	1,220	750
Amortization of buildings, equipment and leasehold improvements	**310**	313	315
Amortization of goodwill	**24**	23	32
Amortization of intangible assets	**25**	24	21
Restructuring charge, net of cash payments	**121**	(31)	325
Future income taxes	**(540)**	(267)	3
Investment securities gains, net	**(575)**	(970)	(378)
Accrued interest receivable	**63**	(332)	743
Accrued interest payable	**(539)**	250	(632)
Net change in securities held for trading	**1,419**	(7,163)	2,009
Gains on disposal of subsidiaries	**(22)**	(125)	-
(Gains) losses on disposal of land, buildings and equipment	**(12)**	(199)	27
Current income taxes	**(723)**	102	391
Other, net	**(1,035)**	(1,163)	2,069
	1,302	(6,258)	6,704
Cash flows provided by (used in) financing activities			
Deposits, net of withdrawals	**14,475**	19,591	(66)
Obligations related to securities sold short	**(2,779)**	(1,571)	(486)
Net obligations related to securities lent or sold under repurchase agreements	**7,204**	559	(18,970)
Issue of subordinated indebtedness	**-**	-	400
Redemption of subordinated indebtedness	**(232)**	(175)	(262)
Issue of preferred shares	**400**	345	-
Redemption of preferred shares	**-**	(442)	-
Issue of common shares	**90**	34	10
Purchase of common shares for cancellation	**(867)**	(1,074)	(500)
Dividends	**(657)**	(629)	(604)
Other, net	**(131)**	81	1,054
	17,503	16,719	(19,424)
Cash flows provided by (used in) investing activities			
Interest-bearing deposits with banks	**(526)**	1,329	(1,819)
Loans, net of repayments	**(9,062)**	(10,381)	(4,983)
Proceeds from securitizations	**1,306**	1,162	3,005
Purchase of securities held for investment	**(23,687)**	(15,141)	(13,399)
Proceeds on sales of securities held for investment	**17,527**	12,714	13,246
Net securities borrowed or purchased under resale agreements	**(3,618)**	(1,303)	17,135
Net cash paid for acquisition of subsidiary	**(308)**	-	-
Proceeds from disposal of subsidiaries	**54**	486	-
Purchase of land, buildings and equipment	**(588)**	(378)	(387)
Proceeds from disposal of land, buildings and equipment	**29**	862	12
	(18,873)	(10,650)	12,810
Effect of exchange rate changes on cash and cash equivalents	**31**	13	(21)
Net increase (decrease) in cash and cash equivalents during year	**(37)**	(176)	69
Cash and cash equivalents at beginning of year	**1,524**	1,700	1,631
Cash and cash equivalents at end of year	**$ 1,487**	$ 1,524	$ 1,700
Represented by:			
Cash and non-interest-bearing deposits with banks	**$ 1,528**	$ 1,383	$ 1,902
Cheques and other items in transit, net (Notes 7 & 9)	**(41)**	141	(202)
Cash and cash equivalents at end of year	**$ 1,487**	$ 1,524	$ 1,700
Cash interest paid	**$ 10,764**	$ 10,795	$ 10,629
Cash income taxes paid	**$ 1,007**	$ 554	$ 140

(1) Certain comparative figures have been restated to conform with the presentation used in 2001.

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Canadian Imperial Bank of Commerce and its subsidiaries (CIBC) have been prepared in accordance with Canadian generally accepted accounting principles, including the accounting requirements of the Superintendent of Financial Institutions, Canada (OSFI).

A reconciliation of the impact on assets, liabilities, net income and retained earnings arising from differences between Canadian and U.S. generally accepted accounting principles is provided in Note 26. Disclosures reflected in these consolidated financial statements comply in all material respects with those required under U.S. generally accepted accounting principles.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The following paragraphs describe CIBC's significant accounting policies:

Basis of consolidation

The consolidated financial statements include the accounts of all subsidiaries on a consolidated basis. Intercompany balances and transactions have been eliminated. Goodwill, representing the excess of the purchase price over the fair value of the net assets of the subsidiaries acquired, and intangible assets are amortized to income over their estimated useful lives, not exceeding 20 years, using the straight-line method, except where a write-down is required to reflect an impairment loss. Goodwill and intangible asset balances are reviewed periodically for impairment. When the expected future cash flows are less than the carrying value of the assets, goodwill and intangible assets are written down to their net recoverable amounts. Goodwill and intangible assets with an indefinite life acquired in business combinations after June 30, 2001 are not subject to amortization.

Investments in companies over which CIBC has significant influence are accounted for by the equity method and are included in securities held for investment in the consolidated balance sheets. CIBC's share of earnings from these investments is included in interest income.

Investments in which CIBC exercises joint control are accounted for using the proportionate consolidation method whereby CIBC's share of the assets, liabilities, revenue and expenses of these joint ventures are included in the consolidated financial statements.

Foreign currency translation

Assets and liabilities arising from foreign currency transactions are translated into Canadian dollars at month-end exchange rates at the dates of the consolidated financial statements, while the associated revenue and expenses are translated using average monthly exchange rates. Realized and unrealized gains and losses arising on the translation are included in the current year consolidated statement of income.

Assets and liabilities of CIBC's foreign operations are translated into Canadian dollars using month-end exchange rates at balance sheet dates, while the associated revenue and expenses are translated at the average monthly exchange rates in effect. Exchange gains and losses arising from the translation of net investment positions and from the results of hedging these positions net of applicable taxes are reported in retained earnings.

Securities

Securities held for investment comprise debt and equity securities, originally purchased with the intention of holding as investments, which may be sold in response to changes in investment objectives arising from changing market conditions. Equity securities are stated at cost and debt securities at amortized cost, determined on the average cost basis. Realized gains and losses on disposal and write-downs to reflect other than temporary impairments in value are included in investment securities gains in the consolidated statements of income.

Securities held for trading are purchased for resale within a short period of time and are stated at estimated fair value. Gains and losses realized on disposal and unrealized gains and losses from market fluctuations are included in trading activities in the consolidated statements of income.

Loan substitute securities are accounted for in the same manner as loans. They represent after-tax financing arrangements, which provide issuers with tax effective borrowings.

Obligations related to securities sold short are recorded as liabilities and are carried at their fair value. Realized and unrealized gains and losses thereon are included in trading activities in the consolidated statements of income.

Dividend and interest income on all securities, including the amortization of premiums and discounts on debt securities held for investment, are included in interest income in the consolidated statements of income.

Loans

Loans are stated net of unearned income and allowances for credit losses.

Impaired loans

A loan is classified as impaired when, in the opinion of management, there no longer is reasonable assurance of the timely collection of the full amount of principal and interest. Generally, loans on which repayment of principal or payment of interest is contractually 90 days in arrears are automatically considered impaired unless they are fully secured and in the process of collection. Notwithstanding management's assessment of collectibility, such loans are considered impaired if payments are 180 days in arrears. Exceptions are as follows:

Credit card loans are not classified as impaired but are instead fully written-off when payments are contractually 180 days in arrears.

Loans guaranteed or insured by the Canadian government, the provinces or a Canadian government agency are classified as impaired only when payments are contractually 365 days in arrears.

When a loan is classified as impaired, accrual of interest ceases. All uncollected interest is recorded as part of the loan's carrying value for the purpose of determining the loan's estimated realizable value and establishing necessary allowances for credit losses. No portion of cash received on any impaired loan is recorded as income until such time as any prior write-off has been recovered or any specific allowance has been reversed and it is determined that the loan principal is fully collectible in accordance with the original contractual terms of the loan.

Loan fees

Fees relating to loan origination, including commitment, restructuring and renegotiation fees, are considered an integral part of the yield earned on the loan and are deferred as unearned income and amortized to interest income over the term of the loan. Fees received for commitments which are not expected to result in a loan are included in non-interest income over the commitment period. Loan syndication fees are included in non-interest income on completion of the syndication arrangement, provided that the yield on the portion of the loan retained by CIBC is at least equal to the average yield earned by the other lenders involved in the financing; otherwise, an appropriate portion of the fee is deferred as unearned income and amortized to interest income to produce an equal average yield over the term of the loan.

Securitizations

CIBC periodically sells groups of loans or receivables to special purpose vehicles that issue securities to investors – a process referred to as securitization. In 2001, CIBC adopted the Canadian Institute of Chartered Accountants (CICA) Accounting Guideline 12 (AcG 12), "Transfers of Receivables," for securitizations occurring on or after April 1, 2001. This new guideline redefines the criteria that must be met in order for a securitization to be recognized as a sale. The impact of this change in accounting policy is not significant to CIBC.

Under AcG 12, securitizations are accounted for as sales when CIBC surrenders control of the transferred assets and receives consideration other than beneficial interests in the transferred assets. When such sales occur, CIBC may retain interest-only strips, one or more subordinated tranches, and in some cases, a cash reserve account, all of which are considered retained interests in the securitized assets. Securitizations taking place, or committed to, before April 1, 2001, were accounted for as sales if, among other criteria, the transactions transferred the significant risks and rewards of ownership from CIBC to the special purpose vehicles.

Gains or losses on transfers accounted for as sales under AcG 12 depend in part upon the allocation of previous carrying amounts to assets sold and retained interests. These carrying amounts are allocated in proportion to the relative fair values of the assets sold and retained interests. Quoted market prices, if available, are used to obtain fair values. However, as market prices are generally not available for retained interests, CIBC estimates fair values based on the present value of expected future cash flows. This may require management to estimate credit losses, the rate of pre-payments, forward yield curves, discount rates and other factors that influence the value of retained interests.

The gains or losses on securitizations are calculated as the excess or shortfall of consideration over the pro-rata share of the original carrying amounts attributed to the assets sold. Gains and losses on these transactions are included in other non-interest income in the consolidated statements of income. Retained interests in securitized assets are classified as securities held for investment in the consolidated balance sheets and stated at their pro-rata share of the original carrying amounts. Retained interests are reviewed each reporting period for impairment.

Securitization affects the components of income reported in the consolidated statements of income. Non-interest income from securitized assets comprises income from retained interests, losses under recourse arrangements and servicing income. All of these components are recognized only when earned.

Allowance for credit losses

Management establishes and maintains an allowance for credit losses which it considers the best estimate of probable credit-related losses existing in CIBC's portfolio of on- and off-balance sheet financial instruments, giving due regard to current conditions. Impaired loans are carried at their estimated realizable values determined by discounting the expected future cash flows at the interest rate inherent in the loan. When the amount and timing of future cash flows cannot be estimated reliably, the loan is carried at either the fair value of the security underlying the loan or the market price of the loan. Any changes in the estimated realizable amounts over time are reported wholly as a charge or credit to the allowance for credit losses. The allowance for credit losses consists of specific and general components, which are deducted from the related asset categories, and specific allowances relating to off-balance sheet items, which are included in other liabilities in the consolidated balance sheets.

Management conducts ongoing credit assessments of the business and government loan portfolio on an account-by-account basis and establishes specific allowances when impaired loans are identified. Residential mortgage and personal and credit card loan portfolios consist of large numbers of homogeneous balances of relatively small amounts, for which specific allowances are established by reference to historical ratios of write-offs to balances outstanding.

The general allowance is provided for losses which management estimates are in the portfolio at the balance sheet date, and which relate to loans not yet specifically identified as impaired and not yet captured in the determination of specific allowances. The general allowance is established based on statistical estimates of expected losses associated with individual asset portfolios. The estimate takes into account historical loss experience, loan portfolio composition, current market trends and recovery rates.

Securities borrowed or purchased under resale agreements and obligations related to securities lent or sold under repurchase agreements

Securities purchased under resale agreements are stated at cost plus accrued interest and are secured loans insofar as they represent a purchase of securities by CIBC effected with a simultaneous agreement to sell them back at a future date, which is generally near term. Interest income is included in loan interest income in the consolidated statements of income. Obligations related to securities sold

under repurchase agreements are stated at cost plus accrued interest and represent the borrowing equivalent of securities purchased under resale agreements. Interest is reflected in deposits and other liabilities interest expense in the consolidated statements of income.

Securities borrowed and securities lent are recorded at the amount of cash advanced or received. Securities borrowed consist primarily of government and equity securities. CIBC monitors the market value of the securities borrowed and lent on a daily basis and calls for additional collateral when appropriate. Fees received or paid are recorded as interest income or interest expense in the consolidated statements of income.

Derivative instruments

Derivative instruments are contracts that require or provide the opportunity to exchange cash flows or payments determined by applying certain rates, indices or changes therein to notional contract amounts.

CIBC utilizes derivatives in two broadly defined activities: trading operations and asset-liability management.

Derivatives held for trading purposes

CIBC's derivative trading activities are primarily driven by client trading activities. Clients transact with CIBC as part of their own risk management, investing and trading activities. To facilitate these activities, CIBC acts as a derivatives dealer or market maker, and is prepared to transact with clients by quoting bid and offer prices, with the objective of providing a spread to CIBC. CIBC also takes limited proprietary trading positions in the interest rate, foreign exchange, debt, equity and commodity markets, with the objective of earning income.

All financial and commodity derivative instruments entered into for trading purposes, including derivatives used to hedge risks created by assets and liabilities which are marked to market, are stated at fair values. Quoted market prices, when available, are used to determine the fair values of derivatives held for trading. Otherwise, fair values are estimated using pricing models that are based on current market quotations wherever possible. Where appropriate, the estimates include a valuation adjustment to cover market, model and credit risks, as well as administrative costs. Realized and unrealized trading gains and losses are included in trading activities in the consolidated statements of income. Derivatives with a positive fair value are reported as assets, while derivatives with a negative fair value are reported as liabilities in the consolidated balance sheets, in both cases as derivative instruments market valuation. Assets and liabilities with the same counterparty are netted only where CIBC has both the legal right, as well as the intent, to settle the derivative assets and liabilities on a net basis.

Derivatives held for asset-liability management purposes

CIBC uses derivative financial instruments, primarily interest rate swaps and, to a lesser degree, futures, forward rate agreements and options contracts, to manage financial risks, such as movements in interest rates and foreign exchange rates. These instruments are used for hedging activities or to modify interest rate characteristics of specific non-trading on-balance sheet assets and liabilities, or groups of similar non-trading on-balance sheet assets and liabilities.

When derivative instruments, primarily interest rate swaps, modify the interest rate characteristics of specific financial assets or liabilities or groups of similar financial assets or liabilities, these derivative instruments are accounted for using the accrual method. Under this method, interest income or expense on these derivative instruments is accrued for and included in interest income or expense in the consolidated statements of income and reported in other assets or other liabilities in the consolidated balance sheets. This accounting treatment results in interest income or expense on non-trading on-balance sheet assets and liabilities being reflected in the consolidated statements of income at their modified rates rather than their original contractual interest rates.

Derivative instruments may also be designated as specific hedges of financial risk exposures of on-balance sheet assets or liabilities, firm commitments and anticipated transactions or of foreign currency exposures arising from net investments in foreign operations. Designation as a hedge is only allowed if, both at the inception of the hedge and throughout the hedge period, the changes in the market value of the derivative instrument are expected to substantially offset the effects of price or interest rate changes on the hedged items.

Gains and losses on derivative instruments used to hedge interest rate risk exposures of on-balance sheet assets and liabilities, except for hedges of foreign currency denominated assets and liabilities, are recognized as interest income or expense at the same time as interest income or expense related to the hedged on-balance sheet assets and liabilities. There is no recognition in the consolidated balance sheets or consolidated statements of income of unrealized gains or losses on derivatives used to hedge or modify the characteristics of on-balance sheet assets and liabilities.

Certain liabilities, whose values are determined based on an underlying index or asset, are accounted for on a modified accrual basis. Under this method, the carrying value of the liabilities is adjusted to reflect changes in the value of the underlying index or asset, subject to a minimum guaranteed redemption value, if any. These adjustments are recorded as interest expense in the consolidated statements of income. Derivatives that are used to hedge these liabilities are accounted for on a similar basis, with adjustments recorded as interest income or interest expense in the consolidated statements of income.

Foreign currency derivative instruments that hedge foreign currency risk exposures from foreign denominated assets and liabilities are revalued each month, using the spot foreign exchange rate and are included in other assets or other liabilities in the consolidated balance sheets. Resulting gains and losses are recognized as non-interest income or expense in the consolidated statements of income. The hedged items are also revalued using the spot foreign exchange rate, with the resulting gains or losses recognized as non-interest income or expense. Any premium or discount resulting from differences between the contracted forward and spot foreign exchange rates due to interest rate differentials, at the date of inception, on the foreign currency derivative hedge is accrued in interest income or expense in the consolidated statements of income.

Gains and losses on derivative instruments used to hedge firm commitments or anticipated transactions are deferred or adjusted to the carrying amounts of the assets and liabilities which they hedge in the period that the committed or anticipated transactions occur and recognized in income over that period. Anticipated transactions can be hedged only when significant characteristics and expected terms of the anticipated transactions are identified, and it is probable that the anticipated transactions will occur. There is no recognition in the consolidated statements of income of unrealized gains or losses on deriv-

atives hedging anticipated transactions. Premiums paid for options used for hedging purposes are amortized over the life of the contract.

A hedging relationship is terminated if the hedge ceases to be effective; the underlying asset, liability or future transaction being hedged is liquidated or terminated and the derivative instrument is still outstanding; or if the derivative instrument is no longer designated as a hedging instrument.

If the relationship of hedging or modification of interest rate characteristics is terminated, the difference between the fair value of the derivative and its accrued value upon termination is recorded in other assets or other liabilities or as an adjustment to the carrying amount of the hedged assets or liabilities. These amounts are amortized into income or expense over the lesser of the remaining term to maturity of the derivative hedge and the hedged asset or liability.

Acceptances and customers' liability under acceptances

Acceptances constitute a liability of CIBC on negotiable instruments issued to third parties by customers of CIBC. CIBC earns a fee for guaranteeing and then making the payment to the third parties. The amounts owed to CIBC by its customers in respect of these guaranteed amounts are reflected in assets as customers' liability under acceptances in the consolidated balance sheets.

Land, buildings and equipment

Land is reported at cost. Buildings, equipment and leasehold improvements are reported at cost less accumulated amortization. Amortization is recorded on a straight-line basis as follows:

Buildings	40 years
Computer equipment	2 to 10 years
Office furniture and other equipment	4 to 15 years
Leasehold improvements	Over estimated useful life

Gains and losses on disposal are reported in non-interest income in the consolidated statements of income.

Future income taxes

CIBC uses the asset and liability method to provide for income taxes on all transactions recorded in the consolidated financial statements. The asset and liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets or liabilities and their tax bases. Future income tax assets and liabilities are determined for each temporary difference based on the tax rates that are expected to be in effect when the underlying items of income and expense are expected to be realized.

Post-employment and post-retirement plans

In 2001, CIBC adopted the requirements in CICA handbook section 3461, "Employee Future Benefits." Under section 3461, employee future benefits are defined as: pension and other benefits provided after retirement; post-employment benefits provided to former active employees; compensated absences such as parental leave and sabbaticals; and termination benefits. This standard outlines new measurement and disclosure requirements for employee future benefits.

CIBC is the sponsor of a pension plan under which all eligible employees are entitled to benefits based on length of service and salary levels.

Based on management's best estimate assumptions, actuarial valuations of the pension obligations are made periodically for accounting purposes by an independent actuary using the projected benefit method pro-rated on service. Market-related values are used to value pension fund assets.

The annual pension expense includes the estimated present value of the cost of future pension benefits payable in respect of services rendered in the current period, interest on projected pension obligations net of earnings on plan assets and the amortization of experience gains and losses. Amortization is charged on a straight-line basis over the expected average remaining service life of the employee groups covered by the plan.

CIBC also provides certain health care, life insurance and other benefits to eligible pensioners and inactive employees. Under the new standard, CIBC is required to accrue the expected cost of post-retirement and post-employment benefits during the years employees provide service to CIBC.

Stock-based compensation

CIBC provides compensation to certain employees in the form of stock options. CIBC follows the intrinsic value based method of accounting for such awards; consequently, no expense is recognized for stock options as the strike price thereon is set at the market price on the issue date of the awards. When options are exercised, the proceeds received by CIBC are recorded as common share capital.

Under CIBC's stock option plan, participants may elect to exercise up to 50% of their vested options issued prior to 2000 as Stock Appreciation Rights (SARs). Payments in respect of SARs are charged to retained earnings when SARs are exercised.

Assets under administration

Assets under administration are comprised of assets under management, assets securitized and still administered by CIBC and assets administered by CIBC in the capacity of custodian. Mutual fund assets managed by CIBC on behalf of its clients are considered assets under management. Assets under administration are not the property of CIBC and are not included in the consolidated balance sheets. Trust and custodial and mutual funds fees are included in non-interest income as fees for services. Trust and custodial fees are primarily investment, estate and trust management fees and are recorded on an accrual basis. Custodial service fees are recorded as earned; accordingly, prepaid fees are deferred and amortized over the contract term. Mutual funds fees are recorded on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows comprise cash, deposits with the Bank of Canada, current operating accounts, overnight deposits with banks and, on a net basis, uncleared cheques and other items in transit.

2000 and 1999 financial information

Certain 2000 and 1999 financial information has been reclassified, where necessary, to conform with the presentation adopted in 2001.

Future accounting policy changes

A description of future Canadian accounting policy changes is provided in Note 28. A description of future U.S. accounting policy changes is provided in Note 26.

2. SECURITIES

	Residual term to contractual maturity															
	Within 1 year		1 to 5 years		5 to 10 years		Over 10 years		No specific maturity		**2001 Total**		2000 Total		1999 Total	
$ millions, as at October 31	Carrying value	Yield(1)	Carrying value	Yield(1)	Carrying value	Yield(1)	Carrying value	Yield(1)	Carrying value	Yield(1)	**Carrying value**	**Yield(1)**	Carrying value	Yield(1)	Carrying value	Yield(1)
Securities held for investment																
Canadian federal government	$ 3,635	5.5%	$ 4,647	5.2%	$ 1,244	5.8%	$ 325	6.4%	$ -	-%	**$ 9,851**	**5.4%**	$ 4,629	5.9%	$ 2,374	5.4%
Other Canadian governments	220	6.4	288	6.1	46	6.7	247	6.4	-	-	**801**	**6.3**	1,311	6.1	1,548	5.7
U.S. Treasury	2	5.3	341	5.2	240	6.1	-	-	-	-	**583**	**5.5**	158	6.7	82	4.8
Other U.S. agencies	462	5.5	1,492	5.6	832	6.2	1,705	6.6	22	6.0	**4,513**	**6.1**	2,949	6.5	1,844	5.4
Other foreign governments	431	6.5	102	6.1	251	6.9	70	6.9	-	-	**854**	**6.6**	1,238	6.2	846	5.8
Corporate debt	1,003	6.3	892	6.9	487	7.1	780	5.9	-	-	**3,162**	**6.5**	2,368	7.1	3,104	5.2
Corporate equity	187	5.1	236	6.2	229	6.1	-	-	2,433	-	**3,085**	**-**	3,211	-	3,479	-
Total debt securities																
Carrying value	$ 5,753		$ 7,762		$ 3,100		$ 3,127		$ 22		**$ 19,764**		$ 12,653		$ 9,798	
Estimated fair value	$ 5,790		$ 8,007		$ 3,239		$ 3,305		$ 22		**$ 20,363**		$ 12,802		$ 9,803	
Total equity securities																
Carrying value	$ 187		$ 236		$ 229		$ -		$ 2,433		**$ 3,085**		$ 3,211		$ 3,479	
Estimated fair value(2)	$ 171		$ 232		$ 219		$ -		$ 2,577		**$ 3,199**		$ 5,689		$ 7,094	
Total investment securities																
Carrying value	$ 5,940		$ 7,998		$ 3,329		$ 3,127		$ 2,455		**$ 22,849**		$ 15,864		$ 13,277	
Estimated fair value(2)	$ 5,961		$ 8,239		$ 3,458		$ 3,305		$ 2,599		**$ 23,562**		$ 18,491		$ 16,897	
Securities held for trading(3)																
Canadian federal government	$ 3,442		$ 8,019		$ 501		$ 331		$ -		**$ 12,293**		$ 13,383		$ 11,977	
Other Canadian governments	433		624		353		301		-		**1,711**		1,926		1,436	
U.S. Treasury and agencies	5,468		1,336		82		42		-		**6,928**		4,523		5,262	
Other foreign governments	336		177		61		13		-		**587**		1,359		595	
Corporate debt	4,342		2,058		811		1,021		-		**8,232**		9,334		9,967	
Corporate equity	4		88		25		-		21,930		**22,047**		22,692		16,817	
Total trading securities	$ 14,025		$ 12,302		$ 1,833		$ 1,708		$ 21,930		**$ 51,798**		$ 53,217		$ 46,054	
Loan substitute securities																
Carrying value	$ 1	4.9%	$ 146	4.4%	$ -	-	$ -	-	$ -	-	**$ 147**	**4.4%**	$ 161	4.3%	$ 161	4.3%
Estimated fair value	$ 1		$ 146		$ -		$ -		$ -		**$ 147**		$ 161		$ 161	
Total securities																
Carrying value	$ 19,966		$ 20,446		$ 5,162		$ 4,835		$ 24,385		**$ 74,794**		$ 69,242		$ 59,492	
Estimated fair value(2)	$ 19,987		$ 20,687		$ 5,291		$ 5,013		$ 24,529		**$ 75,507**		$ 71,869		$ 63,112	

(1) Represents the weighted average yield which is determined by applying the weighted average of the book yields of individual fixed income securities and the stated dividend rates of corporate equity securities.
(2) The fair value of publicly traded equity securities held for investment does not take into account any adjustments for resale restrictions that expire within one year, adjustments for liquidity or future expenses.
(3) As securities held for trading are recorded at fair value, carrying value equals fair value.

ESTIMATED FAIR VALUES OF SECURITIES HELD FOR INVESTMENT

	2001				2000			
$ millions, as at October 31	**Carrying value**	**Unrealized gains**	**Unrealized losses**	**Estimated fair value**	Carrying value	Unrealized gains	Unrealized losses	Estimated fair value
Securities issued or guaranteed by:								
Canadian federal government	**$ 9,851**	**$ 318**	**$ -**	**$ 10,169**	$ 4,629	$ 77	$ (11)	$ 4,695
Other Canadian governments	**801**	**43**	**-**	**844**	1,311	28	(7)	1,332
U.S. Treasury	**583**	**51**	**-**	**634**	158	8	-	166
Other U.S. agencies	**4,513**	**100**	**(10)**	**4,603**	2,949	11	(4)	2,956
Other foreign governments	**854**	**54**	**(2)**	**906**	1,238	39	-	1,277
Corporate securities								
Debt	**3,162**	**87**	**(42)**	**3,207**	2,368	14	(6)	2,376
Equity(1)	**3,085**	**496**	**(382)**	**3,199**	3,211	2,702	(224)	5,689
	$ 22,849	**$ 1,149**	**$ (436)**	**$ 23,562**	$ 15,864	$ 2,879	$ (252)	$18,491

(1) Equity securities held for investment include one security mostly hedged by forward sales contracts with a range of maturities from fiscal 2002 to 2003. The unrealized gain related to securities held for investment as at October 31, 2001 would increase by $815 million (2000: $89 million) as a result of these hedges.

Trading activities

Trading revenue is earned through the trading of securities and foreign exchange and derivative products. Net interest income on trading assets is integral to trading activities and is therefore included in total trading revenue.

Trading activities include dealing and other securities and derivatives trading activities measured at fair value, with gains and losses recognized in income. Trading activities exclude underwriting fees and commissions on securities transactions which are shown separately in the consolidated statements of income.

TRADING REVENUE

$ millions, for the years ended October 31	**2001**	2000	1999
Net interest income consists of:			
Non-trading related	**$ 4,862**	$ 4,632	$ 4,492
Trading related	**(313)**	(350)	(84)
Net interest income	**$ 4,549**	$ 4,282	$ 4,408
Trading revenue consists of:			
Trading related net interest income	**$ (313)**	$ (350)	$ (84)
Non-interest income – trading activities	**1,343**	1,140	714
Trading revenue	**$ 1,030**	$ 790	$ 630
Trading revenue by product line:			
Interest rates	**$ 505**	$ 231	$ 296
Foreign exchange(1)	**179**	199	154
Equities	**279**	304	33
Commodities and other(2)	**67**	56	147
Trading revenue	**$ 1,030**	$ 790	$ 630

(1) Revenue earned on foreign exchange for other than trading activities is included in other non-interest income. Certain revenue generated from transactions where the rates are negotiated with foreign currency trading desks has been reclassified to trading. Comparative figures have been restated to conform with the presentation used in 2001.
(2) Includes asset swaps, credit derivatives and secondary loan trading and sales.

3. ACQUISITION AND SALE OF SUBSIDIARIES

On October 10, 2001, CIBC acquired control of TAL Global Asset Management Inc. (TAL) through the acquisition of the remaining 34% of its outstanding common shares. TAL is a Canadian investment management firm in which CIBC previously held a 66% equity interest that was accounted for by the equity method.

The step acquisition was accounted for by the purchase method and the results of operations previously attributed to minority owners have been included in the consolidated statements of income from the date of acquisition.

CIBC has obtained independent appraisals of the fair values of the identified intangible assets. At the time of preparation of these financial statements, the remaining useful lives of these assets were being assessed. CIBC is completing the review and determination of the fair values of the other assets acquired and liabilities assumed. Accordingly, the allocation of the purchase price is subject to revision which is not expected to be significant.

Details of the aggregate consideration given and the fair value of net assets acquired are as follows:

$ millions, as at October 10, 2001	
Acquisition cost (paid in cash)	$ 318
Direct acquisition expenses	3
	$ 321
Cash resources	$ 13
Land, buildings and equipment	2
Goodwill	265
Intangible assets	74
Other assets	50
Total assets acquired	$ 404
Future tax liability	32
Other liabilities	51
Total liabilities assumed	$ 83
Net assets acquired	$ 321

The $265 million of goodwill was assigned to the Wealth Management business line and is not expected to be deductible for tax purposes. The $74 million of acquired intangible assets were assigned to investment management contracts.

In July 2001, CIBC sold two of its offshore banking subsidiaries, CIBC Fund Managers (Guernsey) Limited and CIBC Bank and Trust Company (Channel Islands) Limited, which offered a full range of investment and banking services to high net-worth clients. As a result, CIBC recognized a pre-tax gain of $22 million ($22 million after-tax), which is included in other non-interest income in the consolidated statements of income.

On October 30, 2001, CIBC signed an agreement with a third-party to combine their Caribbean retail, corporate and offshore banking operations in a new entity. The parties will combine their operations through an exchange of shares for assets. This will result in CIBC divesting its current 77% ownership in its Caribbean subsidiaries and taking back an interest of approximately 45% in the combined new entity, which will be accounted for by the equity method. Upon completion of this transaction, CIBC will recognize a pre-tax dilution gain which is estimated to be in the range of $115 to $135 million. The final amount of this gain is dependent on a number of variables which will be finalized at the closing date of the transaction. The combination will close upon receipt of regulatory and government approval in the various Caribbean jurisdictions, as well as shareholder approval and the satisfaction of certain conditions as set out in the agreement.

4. LOANS

$ millions, as at October 31	2001 Gross amount	2001 Allowance	2001 Net total	2000 Gross amount	2000 Allowance	2000 Net total
Residential mortgages	**$ 58,751**	**$ 23**	**$ 58,728**	$ 51,921	$ 23	$ 51,898
Personal and credit card loans	**28,411**	**502**	**27,909**	27,939	487	27,452
Business and government loans	**46,693**	**519**	**46,174**	47,567	476	47,091
Securities borrowed or purchased under resale agreements	**24,079**	**-**	**24,079**	20,461	-	20,461
General allowance for credit losses	**-**	**1,250**	**(1,250)**	-	1,250	(1,250)
	$ 157,934	**$ 2,294**	**$ 155,640**	$ 147,888	$ 2,236	$ 145,652

LOAN MATURITIES

$ millions, as at October 31	Residual term to contractual maturity: Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	2001 Total
Residential mortgages	$ 12,691	$ 42,098	$ 3,759	$ 180	**$ 58,728**
Personal and credit card loans	21,057	6,056	795	1	**27,909**
Business and government loans	26,619	14,590	4,025	940	**46,174**
Securities borrowed or purchased under resale agreements	24,079	-	-	-	**24,079**
	$ 84,446	$ 62,744	$ 8,579	$ 1,121	**$ 156,890**
General allowance for credit losses					**(1,250)**
					$ 155,640

ALLOWANCE FOR CREDIT LOSSES

$ millions, as at or for the years ended October 31	Specific[(1)] 2001	2000	1999	General 2001	2000	1999	Total[(1)(2)] 2001	2000	1999
Balance at beginning of year	**$ 988**	$ 752	$ 776	**$ 1,250**	$ 1,000	$ 850	**$ 2,238**	$ 1,752	$ 1,626
Write-offs	**(1,249)**	(849)	(754)	**-**	-	-	**(1,249)**	(849)	(754)
Recoveries	**185**	121	144	**-**	-	-	**185**	121	144
Provision for credit losses charged to the consolidated statements of income[(3)]	**1,100**	970	600	**-**	250	150	**1,100**	1,220	750
Foreign exchange and other adjustments	**21**	(6)	(14)	**-**	-	-	**21**	(6)	(14)
Balance at end of year	**$ 1,045**	$ 988	$ 752	**$ 1,250**	$ 1,250	$ 1,000	**$ 2,295**	$ 2,238	$ 1,752

(1) Includes allowances on letters of credit totaling $1 million (2000: $2 million; 1999: $4 million).
(2) The allowance for credit losses is comprised of $2,295 million (2000: $2,236 million; 1999: $1,752 million) for loans and nil (2000: $2 million; 1999: nil) for loan substitute securities.
(3) Includes a $48 million provision for credit losses relating to non-investment grade loans sold. See Note 5 for details.

IMPAIRED LOANS

$ millions, as at October 31	2001 Gross amount	2001 Specific allowance	2001 Net total	2000 Gross amount	2000 Specific allowance	2000 Net total
Residential mortgages[(1)]	**$ 182**	**$ 23**	**$ 159**	$ 148	$ 23	$ 125
Personal and credit card loans[(1)]	**323**	**502**	**(179)**	309	487	(178)
Business and government loans	**1,197**	**519**	**678**	1,191	474	717
Total impaired loans	**$ 1,702**	**$ 1,044**	**$ 658**	$ 1,648	$ 984	$ 664
Loan substitute securities	**-**	**-**	**-**	13	2	11
Total impaired loans and loan substitute securities	**$ 1,702**	**$ 1,044**	**$ 658**	$ 1,661	$ 986	$ 675

(1) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or payment of interest is contractually 90 days in arrears.

As at October 31, 2001, other past due loans totaled $68 million (2000: $61 million) of which $67 million (2000: $58 million) were in Canada and $1 million (2000: $3 million) were outside Canada. Other past due loans, excluding credit card loans and government guaranteed loans, are loans where repayment of principal or payment of interest is contractually in arrears between 90 and 180 days. These loans have not been classified as impaired loans because they are both fully secured and in the process of collection. If the number of days in arrears reaches 180, the loans become impaired notwithstanding the security held.

As at October 31, 2001, the interest entitlements on loans classified as impaired totaled $95 million (2000: $146 million; 1999: $124 million) of which $72 million (2000: $101 million; 1999: $98 million) were in Canada and $23 million (2000: $45 million; 1999: $26 million) were outside Canada. Of this amount, interest recognized on loans classified as impaired totaled $62 million (2000: $77 million; 1999: $72 million) of which $36 million (2000: $51 million; 1999: $59 million) were in Canada and $26 million (2000: $26 million; 1999: $13 million) were outside Canada.

5. SECURITIZATIONS

As explained in Note 1, CIBC adopted the requirements of CICA AcG 12, "Transfers of Receivables," for securitizations occurring on or after April 1, 2001. The impact of this change in accounting policy is not significant. During the year, CIBC securitized $810 million of government guaranteed residential mortgage loans through the creation of mortgage-backed securities, and subsequently sold $809 million of those securities. CIBC received net cash proceeds of $809 million and retained the rights to future excess interest on the residential mortgages valued at $37 million. A pre-tax gain on sale, net of transaction costs, of $17 million was recognized as other non-interest income in the consolidated statements of income. CIBC retained responsibility for servicing the mortgages and recognizes revenue for servicing as these services are provided. The key assumptions used to value the sold and retained interests include a pre-payment rate of 12.0% and discount rates of 4.6 - 5.6%. There are no expected credit losses as the mortgages are government guaranteed.

During the year, CIBC also securitized $848 million of non-investment grade loans. In addition, CIBC sold $195 million of undrawn credit commitments. In consideration for the sale, CIBC received cash proceeds of $497 million and $141 million in an investment grade note issued by the securitization vehicle. CIBC recognized a pre-tax loss of $162 million, which is included in other non-interest income in the consolidated statements of income, and a specific provision for credit losses of $48 million. CIBC did not retain responsibility for servicing these loans. The key assumptions used to value the retained interest include expected credit losses of 11.0%.

A servicing asset or liability is not generally recognized in these securitizations because CIBC receives adequate compensation for the servicing that it provides with respect to the transferred assets.

The following table summarizes certain cash flows received from or paid to securitization vehicles:

$ millions, for the year ended October 31, 2001	
Proceeds from new securitizations	$ 1,306
Proceeds from collections reinvested in previous credit card securitizations	$ 8,246
Servicing fees received	$ 10
Purchase of impaired loans	$ (69)
Other cash flows received on retained interests	$ 282

Key economic assumptions used in measuring the fair value of retained interests in securitizations and the sensitivity of the current fair value of residual cash flows to changes in those assumptions were as follows:

$ millions, as at October 31, 2001	Commercial mortgages	Residential mortgages	Credit card loans	Investment grade loans	Non-investment grade loans
Carrying amount of retained interests	$ 42	$ 45	$ 29	$ 1,789	$ 141
Fair value of retained interests	$ 42	$ 48	$ 27	$ 1,789	$ 141
Weighted-average remaining life (in years)	3	5	revolving	1	3
Pre-payment rate	NA(1)	12.0%	38.7%	5.0%	NA(3)
Impact on fair value of a 10% adverse change	-	$ (1)	$ (2)	-	-
Impact on fair value of a 20% adverse change	-	$ (2)	$ (4)	-	-
Expected credit losses	0.3%	NA(2)	4.0%	2.0%	11.0%
Impact on fair value of a 10% adverse change	-	-	$ (1)	$ (2)	-
Impact on fair value of a 20% adverse change	-	-	$ (3)	$ (4)	-
Residual cash flows discount rate (annual rate)	6.5%	4.6 - 5.6%	16.9%	3.0%	NA(3)
Impact on fair value of a 10% adverse change	-	-	-	$ (3)	-
Impact on fair value of a 20% adverse change	-	$ (1)	-	$ (5)	-

(1) Not applicable as these retained interests are not subject to pre-payment risk.
(2) Not applicable as these mortgages are government guaranteed.
(3) Not applicable as the retained interest is rated as investment grade and does not represent future excess interest on the loans.

The sensitivities are hypothetical and should be used with caution. As the amounts indicate, changes in fair value based on variations in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption. Changes in one factor may result in changes in another, which might magnify or counteract the sensitivities.

The following table analyzes CIBC's expected static pool credit losses:

% of outstanding loans, as at October 31, 2001	Commercial mortgages	Residential mortgages	Credit card loans	Investment grade loans	Non-investment grade loans
Actual and projected credit losses	0.3%	NA(1)	4.0%	2.0%	11.0%

(1) Static pool losses are not applicable to residential mortgages as the mortgages are government guaranteed.

Information about impaired and other past due loans and net credit losses for components of reported and securitized financial assets is presented in the following table:

$ millions, as at or for the year ended October 31, 2001 Type of loan	Total principal amount of loans	Impaired and other past due loans	Net credit losses
Residential mortgages	$ 60,408	$ 231	$ 3
Personal and credit card loans	29,609	337	431
Business and government loans(1)	48,494	1,240	832
Securities borrowed or purchased under resale agreements	24,079	-	-
Total loans reported and securitized(2)	162,590	1,808	1,266
Less: loans securitized	5,700	38	166
Loans held(3)	$ 156,890	$ 1,770	$ 1,100

(1) Includes commercial mortgages and investment grade loans.
(2) Represents net loans outstanding and loans that have been securitized, which CIBC continues to service, and excludes any assets temporarily acquired by CIBC with the intent, at acquisition, to sell them to a special purpose vehicle.
(3) Represents loans held before the general allowance for credit losses.

6. LAND, BUILDINGS AND EQUIPMENT

$ millions, as at October 31	2001 Cost	2001 Accumulated amortization(1)	2001 Net book value	2000 Net book value
Land	$ 106	$ -	$ 106	$ 129
Buildings	561	210	351	342
Computer equipment	1,823	1,359	464	373
Office furniture and other equipment	1,141	556	585	415
Leasehold improvements	642	379	263	249
	$ 4,273	$ 2,504	$ 1,769	$ 1,508

(1) Amortization of buildings, equipment and leasehold improvements for the year amounted to $310 million (2000: $313 million; 1999: $315 million).

In April 2000, CIBC sold its real estate investment portfolio of seven wholly-owned office properties for a pre-tax gain of $333 million, of which $151 million was deferred as it relates to the premises which CIBC has leased back and continues to occupy. The deferred gain is being recognized in income over the approximate 10-year average term of the related leases.

7. OTHER ASSETS

$ millions, as at October 31	2001	2000
Accrued interest receivable	$ 1,505	$ 1,568
Brokers' client accounts	836	733
Prepaid pension costs (Note 14)	413	252
Goodwill(1)	400	110
Intangible assets(2)	228	132
Future income taxes (Note 15)	581	-
Other prepayments and deferred items	1,656	1,023
Cheques and other items in transit, net	-	141
Other, including accounts receivable	4,479	3,727
	$ 10,098	$ 7,686

(1) Amortization of goodwill for the year amounted to $24 million (2000: $23 million; 1999: $32 million).
(2) Amortization of intangible assets for the year amounted to $25 million (2000: $24 million; 1999: $21 million).

8. DEPOSITS

$ millions, as at October 31	Payable on demand(1)	Payable after notice(2)	Payable on a fixed date(3) Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	2001 Total	2000 Total
Individuals	$ 5,320	$ 21,991	$ 25,817	$ 13,668	$ 30	$ -	$ 66,826	$ 63,109
Businesses and governments	15,469	6,234	81,897	6,840	1,228	2,602	114,270	103,141
Banks	509	-	11,839	877	-	31	13,256	13,382
	$ 21,298	$ 28,225	$ 119,553	$ 21,385	$ 1,258	$ 2,633	$ 194,352	$ 179,632
Total deposits include:								
Non-interest-bearing deposits								
In domestic offices							$ 7,599	$ 7,093
In foreign offices							846	619
Interest-bearing deposits								
In domestic offices							110,131	109,342
In foreign offices							74,437	60,822
U.S. federal funds purchased							1,339	1,756
							$ 194,352	$ 179,632

(1) Deposits payable on demand include all deposits for which CIBC does not have the right to require notice of withdrawal. These deposits are, in general, chequing accounts.
(2) Deposits payable after notice include all deposits for which CIBC can legally require notice of withdrawal. These deposits are, in general, savings accounts.
(3) Deposits payable on a fixed date include all deposits which mature on a specified date. These deposits are generally term deposits, guaranteed investment certificates and similar instruments.

9. OTHER LIABILITIES

$ millions, as at October 31	2001	2000
Accrued interest payable	$ 2,064	$ 2,603
Gold and silver certificates	263	287
Brokers' client accounts	1,777	1,931
Cheques and other items in transit, net	41	-
Deferred gain on sale of real estate properties	126	142
Other deferred items	251	367
Future income taxes (Note 15)	-	2
Restructuring provision (Note 27)	212	95
Employee benefit plans (Note 14)	467	-
Accrued expenses	1,010	1,282
Non-controlling interests in subsidiaries	249	248
Other, including accounts payable	3,652	3,673
	$ 10,112	$ 10,630

10. SUBORDINATED INDEBTEDNESS

The following indebtedness is unsecured and subordinated to deposits and other liabilities. Foreign denominated indebtedness either funds foreign denominated assets (including net investments in foreign operations) or is combined with cross currency swaps to provide Canadian dollar equivalent funding.

TERMS OF SUBORDINATED INDEBTEDNESS

$ millions, as at October 31

Interest rate %	Maturity date	Earliest date redeemable by CIBC: at greater of Canada Yield Price(1) and par	Earliest date redeemable by CIBC: at par	Denominated in foreign currency	2001	2000
12.45	December 1, 2000(3)				$ -	$ 9
5.5	June 21, 2003(3)			Yen 5 billion	65	70
11.125	February 10, 2004(3)				1	1
7.1	March 10, 2004	March 10, 1999			67	67
8.55	May 12, 2005(13)	May 12, 2000			1	70
8.65	August 22, 2005(14)	August 22, 2000			24	200
5.52(2)	September 5, 2006(10)		September 5, 2001		-	220
Floating(4)	March 7, 2007		March 7, 2002		100	100
Floating(5)	October 30, 2007		October 30, 2002		210	210
Floating(5)	March 4, 2008		March 4, 2003		50	50
Floating(6)(7)	May 19, 2008		May 18, 2003	US$ 250 million	397	380
6.5(2)	October 21, 2009	October 21, 1999	October 21, 2004		400	400
7.4(2)	January 31, 2011		January 31, 2006		250	250
8.15(2)	April 25, 2011	April 25, 2001	April 25, 2006		250	250
7.0(2)	October 23, 2011	October 23, 2001	October 23, 2006		250	250
Floating(6)(8)	August 14, 2012		August 14, 2007	US$ 300 million	477	457
5.89(2)	February 26, 2013	February 26, 1998	February 26, 2008		120	120
9.65	October 31, 2014	November 1, 1999			250	250
8.7	May 25, 2029(3)				25	25
11.6	January 7, 2031	January 7, 1996			200	200
10.8	May 15, 2031	May 15, 2021			150	150
8.7	May 25, 2032(3)				25	25
8.7	May 25, 2033(3)				25	25
8.7	May 25, 2035(3)				25	25
Floating(9)	July 31, 2084		July 27, 1990	US$ 255 million(12)	405	391
Floating(11)	August 31, 2085		August 20, 1991	US$ 146 million	232	223
					$ 3,999	$ 4,418

(1) Canada Yield Price: a price calculated to provide a yield to maturity equal to the yield of a Government of Canada bond of appropriate maturity plus a predetermined spread.
(2) Interest rate is fixed at the indicated rate until the earliest date redeemable at par by CIBC and thereafter, at the three-month bankers' acceptance rate plus 1.00%.
(3) Not redeemable prior to maturity date.
(4) Interest rate is based on the three-month bankers' acceptance rate plus 0.20% until the earliest date redeemable by CIBC and thereafter, on the three-month bankers' acceptance rate plus 1.00%.
(5) Interest rate is based on the three-month bankers' acceptance rate plus 0.21% until the earliest date redeemable by CIBC and thereafter, on the three-month bankers' acceptance rate plus 1.00%.
(6) Issued by CIBC World Markets plc and guaranteed by CIBC on a subordinated basis.
(7) Interest rate is based on the three-month London inter-bank offered rate (LIBOR) plus 0.25% until the earliest date redeemable by CIBC World Markets plc and thereafter, on the three-month LIBOR plus 0.75%.
(8) Interest rate is based on the three-month LIBOR plus 0.35% until the earliest date redeemable by CIBC World Markets plc and thereafter, on the three-month LIBOR plus 1.35%.
(9) Interest rate is based on the six-month LIBOR plus 0.25%.
(10) Redeemed for cash on September 5, 2001.
(11) Interest rate is based on the six-month LIBOR plus 0.125%.
(12) US$2 million of the indebtedness was repurchased for cash on February 16, 2001.
(13) On May 12, 2001, $69 million of the indebtedness was converted to 8.55% Deposit Notes maturing May 12, 2005.
(14) On August 22, 2001, $176 million of the indebtedness was converted to 8.65% Deposit Notes maturing August 22, 2005.

The aggregate contractual maturities of CIBC's subordinated indebtedness are outlined in the following table:

REPAYMENT SCHEDULE

$ millions

Within 1 year	$ -
1 to 2 years	65
2 to 3 years	68
3 to 4 years	25
4 to 5 years	-
Over 5 years	3,841
	$ 3,999

11. INTEREST RATE SENSITIVITY

CIBC is exposed to interest rate risk as a consequence of the mismatch, or gap, between the assets, liabilities and off-balance sheet instruments scheduled to mature or reprice on particular dates. The gaps which existed at October 31 are detailed below.

	Based on earlier of maturity or repricing date of interest sensitive instruments						
$ millions, as at October 31	Floating rate	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Not interest rate sensitive	**Total**
2001 Assets							
Cash resources	$ 415	$ 7,189	$ 2,064	$ -	$ -	$ 1,682	**$ 11,350**
Effective yield (1)		3.42%	4.15%				
Securities held for investment and loan substitute securities	1,699	6,760	3,344	5,331	2,734	3,128	**22,996**
Effective yield (1)		5.65%	5.23%	4.92%	6.76%		
Securities held for trading	-	8,146	6,582	11,992	3,586	21,492	**51,798**
Effective yield (1)		2.94%	4.60%	5.39%	6.31%		
Loans	52,138	45,099	13,963	36,123	6,529	1,788	**155,640**
Effective yield (1)		3.94%	5.94%	6.56%	6.65%		
Other	-	25,864	-	-	-	19,826	**45,690**
Total assets	$ 54,252	$ 93,058	$ 25,953	$ 53,446	$12,849	$ 47,916	**$ 287,474**
Liabilities and shareholders' equity							
Deposits	$ 45,355	$ 66,554	$ 42,133	$ 20,930	$ 2,336	$ 17,044	**$ 194,352**
Effective yield (1)		3.16%	4.01%	4.39%	4.85%		
Obligations related to securities sold short	-	1,445	260	3,642	2,066	3,800	**11,213**
Effective yield (1)		2.15%	2.36%	4.26%	5.39%		
Obligations related to securities lent or sold under repurchase agreements	-	21,403	-	-	-	-	**21,403**
Effective yield (1)		2.43%					
Subordinated indebtedness	-	364	-	807	2,828	-	**3,999**
Effective yield (1)		6.24%		7.19%	7.79%		
Other	-	25,750	-	-	-	30,757	**56,507**
Total liabilities and shareholders' equity	$ 45,355	$ 115,516	$ 42,393	$ 25,379	$ 7,230	$ 51,601	**$ 287,474**
On-balance sheet gap	$ 8,897	$ (22,458)	$ (16,440)	$ 28,067	$ 5,619	$ (3,685)	**$ -**
Off-balance sheet gap	-	8,839	(10,029)	(1,530)	2,720	-	**-**
Total gap	$ 8,897	$ (13,619)	$ (26,469)	$ 26,537	$ 8,339	$ (3,685)	**$ -**
Total cumulative gap	$ 8,897	$ (4,722)	$ (31,191)	$ (4,654)	$ 3,685	$ -	**$ -**
Gap by currency							
On-balance sheet gap							
Canadian currency	$ 23,521	$ (42,902)	$ (1,891)	$ 30,828	$ 4,701	$ (14,257)	**$ -**
Foreign currencies	(14,624)	20,444	(14,549)	(2,761)	918	10,572	**-**
Total on-balance sheet gap	8,897	(22,458)	(16,440)	28,067	5,619	(3,685)	**-**
Off-balance sheet gap							
Canadian currency	-	(1,293)	3,743	(446)	(2,004)	-	**-**
Foreign currencies	-	10,132	(13,772)	(1,084)	4,724	-	**-**
Total off-balance sheet gap	-	8,839	(10,029)	(1,530)	2,720	-	**-**
Total gap	$ 8,897	$ (13,619)	$ (26,469)	$ 26,537	$ 8,339	$ (3,685)	**$ -**
2000 Gap by currency							
On-balance sheet gap							
Canadian currency	$ 21,672	$ (33,867)	$ (6,162)	$ 29,166	$ 3,087	$ (13,896)	$ -
Foreign currencies	819	(2,810)	(7,695)	1,204	1,991	6,491	-
Total on-balance sheet gap	22,491	(36,677)	(13,857)	30,370	5,078	(7,405)	-
Off-balance sheet gap							
Canadian currency	-	(12,350)	5,565	3,698	3,087	-	-
Foreign currencies	-	11,613	(6,474)	(5,823)	684	-	-
Total off-balance sheet gap	-	(737)	(909)	(2,125)	3,771	-	-
Total gap	$ 22,491	$ (37,414)	$ (14,766)	$ 28,245	$ 8,849	$ (7,405)	$ -
Total cumulative gap	$ 22,491	$ (14,923)	$ (29,689)	$ (1,444)	$ 7,405	$ -	$ -

(1) Represents the weighted average effective yield based on the earlier of contractual repricing or maturity date.

12. SHARE CAPITAL

Authorized

Preferred shares

An unlimited number of Class A Preferred Shares and Class B Preferred Shares without par value issuable in series for an aggregate consideration not exceeding $5,000 million for each class.

Common Shares

An unlimited number of Common Shares without par value issuable for an aggregate consideration not exceeding $10,000 million.

Share rights and privileges

Class A Preferred Shares

Each series of Class A Preferred Shares bears quarterly non-cumulative dividends and is redeemable for cash by CIBC on or after the specified redemption dates at the cash redemption prices indicated below. Each series, with the exception of Series 18, also provides CIBC with the right to convert the shares to CIBC common shares on or after a specified conversion date. Each share is convertible into a number of common shares determined by dividing the then applicable cash redemption price by 95% of the average common share price (as defined in the short form prospectus or prospectus supplement), subject to a minimum price of $2.00 per share. Shareholders acquire the same conversion option at a specified conversion date. Furthermore, subject to OSFI approval, CIBC may elect to redeem for cash any shares tendered for conversion or to arrange for their cash sale to another purchaser.

TERMS OF PREFERRED SHARES

				Conversion for common	
	Quarterly dividends per share	Specified redemption date	Cash redemption price per share	CIBC conversion date	Shareholders' conversion date
Series 14	$ 0.371875	July 31, 2003	$ 26.00	July 31, 2003	July 31, 2006
		July 31, 2004	$ 25.50		
		July 31, 2005	$ 25.00		
Series 15	$ 0.353125	July 31, 2004	$ 26.00	July 31, 2004	July 31, 2007
		July 31, 2005	$ 25.50		
		July 31, 2006	$ 25.00		
Series 16	US$ 0.353125	October 29, 2004	US$ 25.50	October 29, 2004	October 29, 2007
		October 29, 2005	US$ 25.25		
		October 29, 2006	US$ 25.00		
Series 17	$ 0.340625	October 29, 2004	$ 25.50	October 29, 2004	October 29, 2007
		October 29, 2005	$ 25.25		
		October 29, 2006	$ 25.00		
Series 18	$ 0.343750	October 29, 2012	$ 25.00	not convertible	not convertible
Series 19	$ 0.309375	April 30, 2008	$ 25.75	April 30, 2008	April 30, 2013
		April 30, 2009	$ 25.60		
		April 30, 2010	$ 25.45		
		April 30, 2011	$ 25.30		
		April 30, 2012	$ 25.15		
		April 30, 2013	$ 25.00		
Series 20	US$ 0.321875	October 31, 2005	US$ 25.50	October 31, 2005	April 30, 2008
		October 31, 2006	US$ 25.25		
		October 31, 2007	US$ 25.00		
Series 21	$ 0.375000	July 31, 2005	$ 26.00	July 31, 2005	July 31, 2010
		July 31, 2006	$ 25.75		
		July 31, 2007	$ 25.50		
		July 31, 2008	$ 25.25		
		July 31, 2009	$ 25.00		
Series 22	US$ 0.390625	July 31, 2005	US$ 26.00	July 31, 2005	July 31, 2010
		July 31, 2006	US$ 25.75		
		July 31, 2007	US$ 25.50		
		July 31, 2008	US$ 25.25		
		July 31, 2009	US$ 25.00		
Series 23	$ 0.331250	October 31, 2007	$ 25.75	October 31, 2007	July 31, 2011
		October 31, 2008	$ 25.50		
		October 31, 2009	$ 25.25		
		October 31, 2010	$ 25.00		

OUTSTANDING SHARES AND DIVIDENDS PAID

As at or for the years ended October 31	**2001**				2000				1999	
	Shares outstanding		**Dividends paid**		Shares outstanding		Dividends paid		Dividends paid	
	No. of shares	**$ millions**	**$ millions**	**$ per share**	No. of shares	$ millions	$ millions	$ per share	$ millions	$ per share
Class A Preferred Shares										
Fixed rate shares entitled to non-cumulative dividends										
Series 12	**-**	**$ -**	**$ -**	**$ -**	-	$ -	$ 14	US$ 1.63	$ 14	US$ 1.63
Series 13	**-**	**-**	**-**	**$ -**	-	-	14	$ 1.75	14	$ 1.75
Series 14	**8,000,000**	**200**	**12**	**$ 1.49**	8,000,000	200	12	$ 1.49	12	$ 1.49
Series 15	**12,000,000**	**300**	**17**	**$ 1.41**	12,000,000	300	17	$ 1.41	17	$ 1.41
Series 16	**5,500,000**	**219**	**11**	**US$ 1.41**	5,500,000	210	11	US$ 1.41	11	US$ 1.41
Series 17	**6,500,000**	**162**	**9**	**$ 1.36**	6,500,000	162	9	$ 1.36	9	$ 1.36
Series 18	**12,000,000**	**300**	**17**	**$ 1.38**	12,000,000	300	17	$ 1.38	17	$ 1.38
Series 19	**8,000,000**	**200**	**10**	**$ 1.24**	8,000,000	200	10	$ 1.24	10	$ 1.24
Series 20	**4,000,000**	**159**	**8**	**US$ 1.29**	4,000,000	152	8	US$ 1.29	8	US$ 1.29
Series 21	**8,000,000**	**200**	**12**	**$ 1.50**	8,000,000	200	9	$ 1.14	-	-
Series 22	**4,000,000**	**159**	**9**	**US$ 1.56**	4,000,000	152	7	US$ 1.18	-	-
Series 23	**16,000,000**	**400**	**16**	**$ 0.99**	-	-	-	-	-	-
Total preferred share capital and dividends		**$ 2,299**	**$ 121**			$ 1,876	$ 128		$ 112	
Common Shares										
Total common share capital at beginning of year	**377,140,195**	**$ 2,868**			402,278,579	$ 3,035				
Issued pursuant to the Employee Stock Option Plan	**2,983,736**	**90**			1,405,416	34				
Purchase of common shares for cancellation	**(16,936,000)**	**(131)**			(26,543,800)	(201)				
Total common share capital and dividends	**363,187,931**	**$ 2,827**	**$ 536**	**$ 1.44**	377,140,195	$ 2,868	$ 501	$ 1.29	$ 492	$ 1.20
Total dividends paid			**$ 657**				$ 629		$ 604	

Restrictions on the payment of dividends

CIBC is prohibited by the Bank Act (Canada) from declaring any dividends on its preferred or common shares when CIBC is, or would be placed by such declaration, in contravention of the capital adequacy and liquidity regulations or any regulatory directives issued under the Act.

In addition to the foregoing restriction, Section 79(5) of the Bank Act, which was proclaimed in force on October 24, 2001, prohibits CIBC from paying a dividend in any financial year without the approval of OSFI if, on the day the dividend is declared, the total of all dividends declared by CIBC in that year would exceed the aggregate of CIBC's net income up to that day in that year and of its retained net income for the preceding two financial years.

CIBC's ability to pay common share dividends is also restricted by the terms of the outstanding preferred shares whereby CIBC may not pay dividends on its common shares at any time unless all dividends to which preferred shareholders are then entitled have been declared and paid or set apart for payment.

Shareholder investment plan

Under the Shareholder Investment Plan, eligible shareholders have the right to participate in one or more of the Dividend Reinvestment Option, the Share Purchase Option and the Stock Dividend Option.

Shares reserved for issue

As at October 31, 2001, 13,422,569 common shares are reserved for future issue pursuant to the Employee Stock Option Plan.

Normal course issuer bid

CIBC commenced a normal course issuer bid, effective for one year, on December 20, 2000. Under this bid, CIBC may purchase up to 18.8 million common shares, just under 5% of its outstanding common shares as at November 30, 2000. As at October 31, 2001, 16.9 million shares were purchased under the program, at an average price of $51.17 per share.

On December 15, 1999, CIBC commenced a normal course issuer bid, effective for one year, to purchase up to 5% of CIBC's outstanding common shares as at November 30, 1999. On June 1, 2000, CIBC announced that the normal course issuer bid had been amended to increase the number of common shares that may be purchased for cancellation to approximately 10% of CIBC's issued and outstanding common shares as at November 30, 1999. Under the program, as at October 31, 2000, 26.5 million shares were purchased at an average price of $40.42 per share. There were no purchases under this bid during fiscal 2001.

13. STOCK-BASED COMPENSATION

Compensation expense recognized in respect of CIBC's stock-based compensation plans totaled $329 million (2000: $345 million; 1999: $142 million). In addition, CIBC charged $14 million (2000: $8 million) to retained earnings in respect of SARs. CIBC has the following stock-based compensation plans:

Employee Stock Option Plan

Under CIBC's Employee Stock Option Plan, stock options are periodically granted to selected employees. Options provide the employee with the right to purchase CIBC common shares from CIBC at a fixed price equal to the market price of the shares at the grant date. In general, the options vest evenly over a four-year period and expire ten years from the grant date. Certain options expiring in February 2010 vest based upon the attainment of specified share prices, and certain options vest based upon the earlier of the attainment of these prices and seven years.

Up to 50% of vested options granted prior to 2000 can be exercised as SARs. SARs can be exchanged for a cash amount equal to the difference between the option strike price and the weighted-average price of the common shares on The Toronto Stock Exchange the day immediately preceding the day the SARs are exercised. When SARs are exercised, CIBC records the cash payment to option holders as a charge to retained earnings. This amounted to $14 million in 2001 (2000: $8 million).

Employee Share Purchase Plan

Under CIBC's Employee Share Purchase Plan, qualifying employees can choose each year to have up to 6% of their annual base earnings withheld to purchase CIBC common shares. CIBC matches 50% of the employee contribution amount. All contributions are used by the plan trustee to purchase common shares during each pay period in the open market. CIBC contributions vest after two years of continuous participation in the plan and all subsequent contributions vest immediately. CIBC's contribution is expensed as paid and totaled $30 million for 2001 (2000: $24 million; 1999: $26 million).

Restricted Share Program

Under CIBC's Restricted Share Program (RSP), share equivalents are awarded under three compensation plans.

Restricted Share Awards

Under the CIBC Restricted Share Awards (RSA) plan, which began in 2000, certain key employees are granted annual awards to receive CIBC common shares as part of their total compensation. Additionally, RSAs may be awarded as special grants. RSAs generally vest and are distributed within a three-year period, beginning one year after the fiscal year of the grant. The funding for awards under this program is paid into a trust which purchases CIBC common shares in the open market. Compensation expense in respect of RSAs is recognized in an amount equal to the sum to be transferred to the trust in respect of the current fiscal year allocations and totaled $51 million for 2001 (2000: $22 million).

Stock Participation Plan

Under the CIBC Stock Participation Plan (SPP), which began in 2000, certain key employees are granted awards to receive CIBC common shares as a portion of their annual incentive bonus. Additionally, SPP awards may be issued as special grants. SPP awards generally vest and are distributed within a three-year period, beginning one year after the fiscal year of the grant. The funding for awards under this program is paid into a trust which purchases CIBC common shares in the open market. Compensation expense in respect of SPP awards is recognized in an amount equal to the sum to be transferred to the trust in respect of the current fiscal year allocations and totaled $98 million for 2001 (2000: $128 million).

Retirement Deferred Share Units

Under CIBC's RSP for certain senior executives, participants are awarded Retirement Deferred Share Units (RDSU) which vest after two years if certain performance criteria are achieved. Each RDSU represents the right to receive the market value equivalent of one CIBC common share and is redeemable only upon the participant's retirement, death or termination. Compensation expense in respect of RDSUs is charged to income at the date of grant. No RDSUs were granted in 2001 (2000: nil; 1999: $2 million).

Long Term Incentive Plan and Special Incentive Program

Under CIBC's Long Term Incentive Plan (LTIP), certain key CIBC employees are provided with common share-based awards. The funding for awards under this plan is paid into a trust which purchases CIBC common shares in the open market. Generally the awards vest and are distributed within a three-year period, beginning one year after the fiscal year of the grant.

Under CIBC's Special Incentive Program (SIP), certain key employees receive common share-based awards. The funding for awards under the SIP is comparable with those of the LTIP. The awards under the SIP vest and are distributed when the plan expires on October 31, 2003.

Compensation expense for these two plans totaled $150 million for 2001 (2000: $171 million; 1999: $106 million).

STOCK OPTION PLANS

As at or for the years ended October 31	**2001** Number of stock options	**2001** Weighted average exercise price	2000 Number of stock options	2000 Weighted average exercise price	1999 Number of stock options	1999 Weighted average exercise price
Outstanding at beginning of year	**20,247,187**	**$ 33.28**	16,933,275	$ 31.36	13,106,825	$ 28.20
Granted	**3,021,990**(1)	**$ 48.60**	5,196,956	$ 36.27	4,842,000	$ 38.75
Exercised	**(2,983,736)**	**$ 30.19**	(1,405,416)	$ 23.89	(506,445)	$ 20.00
Forfeited/Cancelled	**(652,749)**	**$ 27.43**	(95,000)	$ 41.64	(388,050)	$ 35.62
Exercised as SARs	**(561,740)**	**$ 38.72**	(382,628)	$ 21.47	(121,055)	$ 18.71
Outstanding at end of year	**19,070,952**	**$ 36.55**	20,247,187	$ 33.28	16,933,275	$ 31.36
Exerciseable at end of year	**13,202,090**	**$ 34.15**	9,141,886	$ 28.33	7,043,274	$ 23.51

(1) Includes 48,000 options granted to non-officer members of CIBC's Board of Directors in 2000, that were approved by CIBC's shareholders at the Annual Meeting on March 1, 2001.

OPTIONS OUTSTANDING

Exercise price	Stock options outstanding	Stock options vested	Expiry
$ 15.375	435,250	435,250	February 2003
$ 17.813	575,050	575,050	February 2004
$ 16.375	679,460	679,460	February 2005
$ 21.125	1,142,710	1,142,710	February 2006
$ 31.700	1,898,480	1,898,480	February 2007
$ 40.650	2,693,915	2,693,915	February 2008
$ 32.150 - $ 38.950	4,042,355	2,968,016	February - December 2009
$ 37.600 - $ 48.150	6,200,468	2,426,893	February - December 2010
$ 47.200 - $ 56.080	1,403,264	382,316	January - September 2011
	19,070,952	13,202,090	

Non-officer Director Stock Option Plan

Under CIBC's stock option plan for non-officer members of CIBC's Board of Directors, each director who is not an officer or employee of CIBC is provided with the right to purchase CIBC common shares from CIBC at a fixed price equal to the five day average of the closing price per share on The Toronto Stock Exchange for the five trading days preceding the date of grant. The options, which are not eligible for SARs, vest immediately and expire 10 years from the grant date.

A total of 42,000 options were granted under this plan during 2001 (2000: 48,000). These options are included in the above tables. A maximum of 200,000 common shares may be issued under this plan.

14. POST-EMPLOYMENT AND POST-RETIREMENT PLANS

As explained in Note 1, CIBC adopted the requirements in CICA handbook section 3461, "Employee Future Benefits," in 2001. This standard was adopted retroactively without restatement, resulting in a $140 million after-tax charge to opening retained earnings and a $237 million pre-tax increase in the accrued benefit liability, offset by a reduction in future income taxes of $97 million. In addition, non-interest expenses increased by $29 million ($17 million after-tax) in 2001.

Under CIBC's defined benefit pension plans, pension benefits are provided to qualified employees. These benefits are, in general, based on years of service and compensation near retirement. CIBC also provides post-retirement benefits to retired employees and post-employment benefits to inactive employees, including life insurance, health and dental care benefits. The cost of all CIBC's employee benefit plans are accrued during the years employees provide services to CIBC.

The funded status of the employee benefit plans and the amounts recognized in CIBC's consolidated balance sheets are as follows:

$ millions, as at or for the years ended October 31	Pension benefit plans 2001	Pension benefit plans 2000	Other benefit plans 2001
Accrued benefit obligation			
Balance at beginning of year	**$ 2,013**	$ 1,868	**$ 130**
Adjustment for change in accounting policy	**163**	-	**403**
Balance at beginning of year, as restated	**$ 2,176**	$ 1,868	**$ 533**
Current service cost	**66**	54	**37**
Employees' contributions	**11**	11	**-**
Interest cost	**148**	145	**36**
Benefits paid	**(134)**	(114)	**(36)**
Actuarial (gains) losses	**(48)**	32	**39**
Plan amendments	**12**	9	**-**
Corporate restructuring giving rise to curtailments	**(5)**	8	**-**
Balance at end of year	**$ 2,226**	$ 2,013	**$ 609**
Plan assets			
Fair value at beginning of year	**$ 2,545**	$ 2,362	**$ 111**
Adjustment for change in accounting policy	**48**	-	**-**
Fair value at beginning of year, as restated	**$ 2,593**	$ 2,362	**$ 111**
Actual return on plan assets	**(364)**	272	**(3)**
Employer contributions	**15**	14	**31**
Employees' contributions	**11**	11	**-**
Benefits paid	**(134)**	(114)	**(36)**
Fair value at end of year	**$ 2,121**	$ 2,545	**$ 103**
Funded status – plan surplus (deficit)	**$ (105)**	$ 532	**$ (506)**
Unamortized net actuarial losses (gains)	**506**	(323)	**39**
Unamortized past service costs	**12**	43	**-**
Accrued benefit asset (liability)	**$ 413**	$ 252	**$ (467)**

Included in the accrued benefit obligation and fair value of the plan assets at year-end are the following amounts in respect of plans that are not fully funded:

$ millions, as at October 31	Pension benefit plans 2001	Pension benefit plans 2000	Other benefit plans 2001
Accrued benefit obligation	**$ 120**	$ 112	**$ 609**
Fair value of plan assets	**-**	-	**103**
Funded status – plan deficit	**$ (120)**	$ (112)	**$ (506)**

Plan assets include common shares of CIBC having a fair value of $15 million at October 31, 2001 (2000: $9 million; 1999: $15 million). The significant actuarial assumptions adopted in measuring CIBC's accrued benefit obligation are as follows:

For the years ended October 31	Pension benefit plans 2001	Pension benefit plans 2000	Pension benefit plans 1999	Other benefit plans 2001
Discount rate	**6.75%**	7.5%	7.5%	**6.75%**
Expected long-term rate of return on plan assets	**7.5%**	7.5%	7.5%	**7.5%**
Rate of compensation increase	**4.0%**	4.5%	4.5%	**4.0%**

A 9% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2001. The rate was assumed to decrease gradually to 4.5% for 2006 and remain at that level thereafter. The effect of a 1% increase each year in the assumed health care cost trend rate would be to increase the post-retirement benefit expense by $7 million (2000: $7 million; 1999: $5 million) and the accumulated post-retirement benefit obligation by $60 million (2000: $46 million; 1999: $41 million).

CIBC's net benefit plan expense is reported as employee compensation and benefits on the consolidated statements of income as follows:

$ millions, for the years ended October 31	Pension benefit plans 2001	Pension benefit plans 2000	Pension benefit plans 1999	Other benefit plans 2001
Current service cost	**$ 66**	$ 54	$ 50	**$ 37**
Interest cost	**148**	145	135	**36**
Expected return on plan assets	**(191)**	(168)	(302)	**(8)**
Amortization of past service costs	**1**	9	140	**-**
Amortization of net actuarial (gains)	**-**	(12)	-	**-**
Curtailment (gains) losses	**(5)**	2	-	**-**
Net benefit plan expense	**$ 19**	$ 30	$ 23	**$ 65**

15. INCOME TAXES

The components of income tax expense reported in the consolidated statements of income consist of the following:

COMPONENTS OF INCOME TAX EXPENSE

$ millions, for the years ended October 31	2001	2000	1999
Current income taxes			
Federal	**$ 587**	$ 510	$ 38
Provincial	**237**	194	31
Foreign	**(192)**	204	248
	632	908	317
Future income taxes			
Federal	**(86)**	(162)	16
Provincial	**(26)**	(59)	2
Foreign	**(428)**	(46)	(15)
	(540)	(267)	3
	$ 92	$ 641	$ 320

Income taxes are reported in the applicable consolidated financial statements as follows:

TOTAL INCOME TAXES

$ millions, for the years ended October 31	2001	2000	1999
Consolidated statements of income			
Income taxes	**$ 92**	$ 641	$ 320
Consolidated statements of changes in shareholders' equity			
Foreign currency translation adjustment	**(323)**	(179)	146
Other[(1)]	**(97)**	-	-
	$ (328)	$ 462	$ 466

(1) Represents the effect of implementing CICA handbook section 3461, "Employee Future Benefits."

Future income tax balances are included in other assets (Note 7) and other liabilities (Note 9) and result from temporary differences between the tax basis of assets and liabilities and their carrying amounts in the balance sheet.

The combined Canadian federal and provincial income tax rate varies each year according to changes in the statutory rates imposed by each of these jurisdictions and according to changes in the proportion of CIBC's business carried on in each province. CIBC is also subject to Canadian taxation on income of foreign branches. Earnings of foreign subsidiaries would generally only be subject to Canadian tax when distributed to Canada. Additional Canadian taxes that would be payable if all foreign subsidiaries' retained earnings were distributed to the Canadian parent are estimated at $84 million as at October 31, 2001 (2000: $90 million; 1999: $75 million).

The effective rates of income tax in the consolidated statements of income are different from the combined Canadian federal and provincial income tax rate of 41.6% (2000: 42.9%; 1999: 43.2%) as set out below:

RECONCILIATION OF INCOME TAXES

$ millions, for the years ended October 31	2001	2000	1999
Combined Canadian federal and provincial income tax rate applied to net income before income taxes	**$ 764**	$ 1,184	$ 600
Income taxes adjusted for the effect of:			
Earnings of foreign subsidiaries	**(654)**	(504)	(291)
Tax-exempt income and gains	**(81)**	(122)	(135)
Federal large corporations tax	**14**	14	16
Temporary tax on capital	**-**	8	10
Earnings of domestic subsidiaries	**20**	39	31
Future tax rate reductions	**90**	-	-
Other	**(61)**	22	89
Income taxes in the consolidated statements of income	**$ 92**	$ 641	$ 320

SOURCES OF FUTURE INCOME TAX BALANCES

$ millions, as at October 31	2001	2000	1999
Future income tax liabilities			
Lease receivables	**$ 789**	$ 816	$ 605
Buildings and equipment	**-**	43	129
Pension and employee benefits	**-**	88	98
Undistributed earnings of foreign subsidiaries	**73**	320	295
Unrealized foreign currency translation gains	**166**	115	89
Goodwill	**32**	-	-
Other	**69**	68	72
	1,129	1,450	1,288
Future income tax assets			
Allowance for credit losses	**901**	757	547
Buildings and equipment	**20**	-	-
Pension and employee benefits	**12**	-	-
Unearned income	**59**	72	30
Investment revaluations	**260**	262	125
Tax loss carry forwards	**20**	5	11
Provisions	**261**	228	295
Deferred charges	**137**	123	132
Other	**40**	1	1
	1,710	1,448	1,141
Future income tax (asset) liability	**$ (581)**	$ 2	$ 147

During 2001, the federal income tax rate decreases proposed in the October 18, 2000 federal government Economic Statement and Budget Update and the provincial income tax rate decreases proposed in several provincial budgets during the year were passed into law. As a result, CIBC recognized a $90 million charge to income tax expense thereby reducing its future income tax assets in recognition of the fact that temporary differences will reverse when the rates are lower.

16. NET INCOME PER COMMON SHARE

Net income per common share is determined as net income minus dividends on preferred shares, divided by the average number of common shares outstanding.

Fully diluted net income per common share reflects the potential dilutive effect of exercising the employee stock options outstanding and any other dilutive conversions.

17. CAPITAL REQUIREMENTS

CIBC's regulatory capital requirements are determined in accordance with guidelines issued by OSFI. The OSFI guidelines evolve from the framework of risk-based capital standards developed by the Bank for International Settlements (BIS).

Total regulatory capital is the sum of Tier 1 and Tier 2 capital less certain deductions. Tier 1 capital consists of common shares, retained earnings, non-cumulative preferred shares and non-controlling interests in subsidiaries, less any unamortized goodwill and identified intangible assets in excess of 5% of gross Tier 1 capital. Tier 2 capital consists of unamortized subordinated indebtedness and the general allowance for credit losses, to a maximum of 0.875% (2000: 0.75%) of risk-weighted assets. The concept of Tier 3 capital was created under the BIS standards in conjunction with the introduction of market risk capital requirements in January 1998. Specific qualifying guidelines with respect to Tier 3 capital have not been issued by OSFI. No Tier 3 capital has been issued by CIBC.

Risk-weighted assets arising from credit risk are calculated by applying the weighting factors specified in OSFI guidelines to all balance sheet assets and off-balance sheet exposures. Risk-weighted assets reflecting market risk in the trading portfolio are calculated based on CIBC's value-at-risk simulation models approved by OSFI. Regulatory capital ratios are then determined by dividing Tier 1 and total regulatory capital by the calculated amount of risk-weighted assets.

OSFI requires that banks maintain minimum Tier 1 and total capital ratios of 4% and 8%, respectively. To be considered "well capitalized" by OSFI, the minimum requirements are 7% and 10%, respectively. OSFI also requires that banks not exceed a maximum leverage ratio (or asset to capital multiple) of 20 times, unless otherwise approved.

CIBC's capital ratios and leverage ratio are as follows:

CAPITAL AND LEVERAGE RATIOS

$ millions, as at October 31	**2001**	2000
Tier 1 capital	**$ 11,749**	$ 11,507
Total regulatory capital	**$ 15,600**	$ 16,054
Tier 1 capital ratio	**9.0%**	8.7%
Total capital ratio	**12.0%**	12.1%
Leverage ratio	**17.7x**	16.3x

18. RELATED PARTY TRANSACTIONS

In the ordinary course of business, CIBC provides normal banking services to affiliated companies on terms similar to those offered to non-related parties.

Loans, at varied rates and terms, are made to directors, officers and employees.

AMOUNTS OUTSTANDING FROM DIRECTORS, OFFICERS AND EMPLOYEES

$ millions, as at October 31	**2001**	2000
Mortgage loans	**$ 604**	$ 475
Personal loans	**672**	458
	$ 1,276	$ 933

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the fair value of both on- and off-balance sheet financial instruments of CIBC based on the valuation approach set out below.

Fair value represents the amount at which a financial instrument could be exchanged in an arm's length transaction between willing parties under no compulsion to act and is best evidenced by a quoted market price, if one exists.

Quoted market prices are not available for a significant portion of CIBC's financial instruments. Consequently, the fair values presented are estimated from a variety of valuation techniques, including the present value approach. The result may vary from the ultimate net realizable value. CIBC has an ongoing process for enhancing its valuation models.

The quoted market price of publicly traded equities held for investment does not take into account any adjustments for resale restrictions that expire within one year, adjustments for liquidity or future expenses.

Due to the judgment used in applying a wide range of acceptable valuation techniques and estimations in calculating fair value amounts, fair values are not necessarily comparable among financial institutions. The calculation of estimated fair values is based on market conditions at a specific point in time and may not be reflective of future fair values.

The fair values disclosed exclude the values of assets and liabilities that are not considered financial instruments, such as land, buildings and equipment. The value of intangible assets, such as customer relationships, which in management's opinion add significant value to CIBC, are also excluded from the following tables.

FAIR VALUE OF FINANCIAL INSTRUMENTS

$ millions, as at October 31	2001 Book value	2001 Fair value	2001 Fair value over book value	2000 Book value	2000 Fair value	2000 Fair value over book value
Assets						
Cash resources	$ 11,350	$ 11,350	$ -	$ 10,679	$ 10,679	$ -
Securities	74,794	75,507	713	69,242	71,869	2,627
Loans(1)	155,640	156,963	1,323	145,652	144,723	(929)
Customers' liability under acceptances	8,100	8,100	-	9,088	9,088	-
Other assets	4,954	4,954	-	4,457	4,457	-
Liabilities						
Deposits(2)	$ 194,352	$ 196,051	$ 1,699	$ 179,632	$ 179,728	$ 96
Acceptances	8,100	8,100	-	9,088	9,088	-
Obligations related to securities sold short	11,213	11,213	-	13,992	13,992	-
Obligations related to securities lent or sold under repurchase agreements	21,403	21,403	-	14,199	14,199	-
Other liabilities	6,898	6,898	-	7,362	7,362	-
Subordinated indebtedness	3,999	4,354	355	4,418	4,642	224
Derivative financial instruments						
Net assets (liabilities) – held for trading	$ (672)	$ (672)	$ -	$ (527)	$ (527)	$ -
– held for asset-liability management	$ 478	$ 942	$ 464	$ 287	$ 728	$ 441

(1) Includes the fair value of mortgages estimated using an enhanced valuation model which better reflects the effect of mortgage pre-payment optionality. This change was applied prospectively. Had the fair value of the mortgage portfolio been estimated on a consistent basis with the prior year, the fair value over book value of loans would have been $715 million.
(2) Includes the fair value of retail deposits estimated using enhancements to the present value approach. This change was applied prospectively. Had the fair value of the retail deposit portfolio been estimated on a consistent basis with the prior year, the fair value over book value of deposits would have been $1,119 million.

FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS(1)

$ millions, as at October 31	2001 Fair value Positive	2001 Fair value Negative	2001 Fair value Net	2000 Fair value Positive	2000 Fair value Negative	2000 Fair value Net
Held for trading purposes						
Interest rate products						
Forward rate agreements	$ 50	$ 43	$ 7	$ 12	$ 9	$ 3
Swap contracts	15,794	14,206	1,588	6,471	5,577	894
Purchased options	1,160	-	1,160	668	-	668
Written options	-	1,357	(1,357)	-	771	(771)
Total interest rate products	17,004	15,606	1,398	7,151	6,357	794
Foreign exchange products						
Forward contracts	1,674	1,474	200	1,643	2,142	(499)
Swap contracts	3,298	3,435	(137)	4,517	3,747	770
Purchased options	369	-	369	5,979	-	5,979
Written options	-	287	(287)	-	5,956	(5,956)
Total foreign exchange products	5,341	5,196	145	12,139	11,845	294
Other	3,378	5,593	(2,215)	4,557	6,172	(1,615)
Total held for trading	25,723	26,395	(672)	23,847	24,374	(527)
Held for asset-liability management purposes						
Interest rate products						
Swap contracts	2,122	2,105	17	713	543	170
Purchased options	2	-	2	22	-	22
Written options	-	65	(65)	-	-	-
Total interest rate products	2,124	2,170	(46)	735	543	192
Foreign exchange products						
Forward contracts	49	236	(187)	33	90	(57)
Swap contracts	418	105	313	259	145	114
Total foreign exchange products	467	341	126	292	235	57
Other	863	1	862	563	84	479
Total held for asset-liability management	3,454	2,512	942	1,590	862	728
Total fair value	29,177	28,907	270	25,437	25,236	201
Less: impact of master netting agreements	(20,014)	(20,014)	-	(17,109)	(17,109)	-
	$ 9,163	$ 8,893	$ 270	$ 8,328	$ 8,127	$ 201
Average fair value of derivatives held for trading purposes(2)						
Interest rate products	$ 10,307	$ 9,469	$ 838	$ 9,103	$ 8,318	$ 785
Foreign exchange products	6,980	7,269	(289)	9,404	9,358	46
Other	4,510	5,364	(854)	5,622	7,123	(1,501)
	$ 21,797	$ 22,102	$ (305)	$ 24,129	$ 24,799	$ (670)

(1) As at October 31, 2001, deferred losses associated with derivative instruments used to hedge anticipated asset-liability management transactions (including firm commitments) were $23 million (2000: $2 million).
(2) Average fair values represent monthly averages.

Methods and assumptions – on-balance sheet financial instruments

Financial instruments valued at carrying value

Due to their short term maturity, the carrying values of certain on-balance sheet financial instruments are assumed to approximate their fair values. These include cash resources, customers' liability under acceptances, other assets, acceptances, obligations related to securities sold short, obligations related to securities lent or sold under repurchase agreements and other liabilities.

Securities

The estimated fair values of securities are detailed in Note 2 and are based on quoted market prices when available; otherwise, fair values are estimated using quoted market prices of similar securities or other third-party evidence when available.

Loans

The estimated fair values for performing variable rate loans that reprice frequently are assumed to be equal to their carrying values. The fair values of other loans are estimated using a discounted cash flow calculation that uses market interest rates currently charged for loans with similar terms and credit risks. The mortgage valuation model was enhanced in 2001 to take into account pre-payment optionality. This change was applied prospectively.

Deposit liabilities

The fair values of floating rate deposits and demand deposits are assumed to be equal to their carrying values. The estimated fair values of fixed rate deposits are determined by discounting the contractual cash flows, using market interest rates currently offered for deposits of similar terms. In 2001, CIBC enhanced the present value estimation approach for determining the fair value of retail deposits included in deposit liabilities. This change was applied prospectively.

Subordinated indebtedness

The fair values are determined by reference to current market prices for the same or similar debt instruments.

Methods and assumptions – off-balance sheet financial instruments

Derivative instruments

The fair values of derivatives are based on quoted market prices or dealer quotes when available. Otherwise, fair values are estimated on the basis of pricing models which incorporate current market prices of the underlying instruments, time value of money, yield curve and volatility factors.

In the normal course of business, CIBC extends mortgage commitments to clients, which guarantee mortgage rates for a specified period of time and principal amount. The fair values of these commitments, which are a liability for the bank, are not included in the preceding table as they are not significant.

Credit-related arrangements

Commitments to extend credit are primarily variable rate and do not expose CIBC to interest rate risk.

20. FINANCIAL INSTRUMENTS

As explained in Note 1, in the normal course of business, CIBC utilizes various derivative instruments which will limit or give rise to varying degrees and types of risk.

Derivative products used by CIBC

The majority of CIBC's derivative contracts are over-the-counter transactions that are privately negotiated between CIBC and the counterparty to the contract. The remainder are transacted through regulated exchanges and consist primarily of options and futures.

Interest rate products

Forward rate agreements are contracts that effectively fix a future interest rate. The agreement provides that at a predetermined future date, a cash settlement will be made between the parties based upon the difference between the contracted rate and a specified current market rate, and upon an agreed notional principal amount. No exchange of principal amount takes place.

Interest rate futures are standardized contractual obligations with a specified financial exchange whose value is based upon making or taking delivery of specified quantities of a financial instrument on specified future dates, at a price established on the exchange. These contracts differ from forward contracts in that they are in standard amounts with standard delivery dates and are transacted on an established exchange.

Interest rate swaps are financial transactions in which two counterparties exchange interest cash flows over a period of time based on rates applied to defined notional principal amounts.

Interest rate options are contracts in which the right, but not the obligation, is acquired by the option purchaser, for a fee, from the option writer either to buy or sell, on a specified future date or within a specified time, a stipulated financial instrument at a stated price. In managing its exposure, CIBC acts as a writer or purchaser of various option contracts.

Foreign exchange products

Foreign exchange forward contracts are transactions in which an amount of one currency is purchased or sold for delivery in exchange for the delivery of another amount of a second currency, at a specified future date or range of dates.

Foreign exchange futures contracts are similar in mechanics to forward contracts but differ in that they are in standard amounts with standard delivery dates and are transacted on an established exchange.

Swap contracts comprise foreign exchange swaps and cross currency interest rate swaps. Foreign exchange swaps are transactions in which a foreign currency is simultaneously purchased in the spot market and sold in the forward market, or vice-versa. Cross currency interest rate swaps are transactions in which counterparties exchange principal and interest flows in different currencies over a period of time. These contracts are used to manage both currency and interest rate exposures.

Other derivative products

CIBC also transacts equity, commodity (including precious metal), energy-related products and credit derivatives in both over-the-counter and fixed exchange markets.

Notional amounts

The following table presents the notional amounts of derivative instruments.

The notional amounts are not recorded as assets or liabilities on the consolidated balance sheets as they represent the face amount of the contract to which a rate or price is applied to determine the amount of cash flows to be exchanged. Notional amounts represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market risk or credit risk of such instruments. As at October 31, 2001, the notional amounts of derivatives held for trading purposes were $1,115 billion (2000: $1,233 billion), or 88% of total notional amounts (2000: 91%). The notional amounts of derivatives held for asset-liability management were $154 billion (2000: $119 billion), or 12% of total notional amounts (2000: 9%).

NOTIONAL AMOUNTS

	Residual term to contractual maturity					Analyzed by use			
$ millions, as at October 31	Under 3 months	3 to 12 months	1 year through 5 years	Over 5 years	**2001 Total notional amounts**	**2001 Trading**	**2001 ALM** [1]	2000 Trading	2000 ALM [1]
Interest rate products									
Over-the-counter									
Forward rate agreements	$ 19,281	$ 13,083	$ 4,117	$ 47	**$ 36,528**	**$ 36,528**	**$ -**	$ 36,476	$ -
Swap contracts	65,863	133,870	297,444	149,799	**646,976**	**530,856**	**116,120**	555,454	87,248
Purchased options	5,820	12,956	21,350	7,617	**47,743**	**42,889**	**4,854**	58,843	6,912
Written options	5,331	18,818	22,062	7,561	**53,772**	**53,772**	**-**	81,900	-
	96,295	178,727	344,973	165,024	**785,019**	**664,045**	**120,974**	732,673	94,160
Exchange traded									
Futures contracts	18,888	75,010	29,901	92	**123,891**	**117,326**	**6,565**	89,134	2,025
Purchased options	2,224	3,906	1,589	-	**7,719**	**7,719**	**-**	10,836	-
Written options	3,418	1,536	3,732	-	**8,686**	**8,686**	**-**	6,225	-
	24,530	80,452	35,222	92	**140,296**	**133,731**	**6,565**	106,195	2,025
Total interest rate products	120,825	259,179	380,195	165,116	**925,315**	**797,776**	**127,539**	838,868	96,185
Foreign exchange products									
Over-the-counter									
Forward contracts	81,006	30,250	9,370	117	**120,743**	**111,050**	**9,693**	119,866	6,307
Swap contracts	1,754	19,806	23,293	25,548	**70,401**	**57,697**	**12,704**	75,273	9,257
Purchased options	3,860	3,726	2,427	420	**10,433**	**9,879**	**554**	51,005	-
Written options	3,517	4,044	1,909	645	**10,115**	**10,115**	**-**	46,640	-
	90,137	57,826	36,999	26,730	**211,692**	**188,741**	**22,951**	292,784	15,564
Exchange traded									
Futures contracts	21	-	230	-	**251**	**251**	**-**	194	-
Purchased options	-	-	-	-	**-**	**-**	**-**	70	-
Written options	-	-	-	-	**-**	**-**	**-**	70	-
	21	-	230	-	**251**	**251**	**-**	334	-
Total foreign exchange products	90,158	57,826	37,229	26,730	**211,943**	**188,992**	**22,951**	293,118	15,564
Other [2]									
Over-the-counter	7,820	21,088	61,341	19,549	**109,798**	**105,912**	**3,886**	79,129	7,256
Exchange traded	18,093	1,703	1,477	920	**22,193**	**22,193**	**-**	21,800	-
Total other	25,913	22,791	62,818	20,469	**131,991**	**128,105**	**3,886**	100,929	7,256
	$ 236,896	$ 339,796	$ 480,242	$ 212,315	**$ 1,269,249**	**$ 1,114,873**	**$ 154,376**	$ 1,232,915	$ 119,005

(1) ALM: asset-liability management.

(2) Includes equity futures, swaps and options; precious metals and other commodity forwards, futures, swaps and options, and credit derivatives.

Risk

Market risk

Derivative instruments, in the absence of any compensating upfront cash payments, generally have no market value at inception. They obtain value, positive or negative, as relevant interest rates, exchange rates, equity or commodity prices or indices change, such that the previously contracted derivative transactions have become more or less favourable than what can be negotiated under current market conditions for contracts with the same remaining period to expiry. The potential for derivatives to increase or decrease in value as a result of the foregoing factors is generally referred to as market risk.

The market risks arising through trading activities are managed in order to mitigate risk, where appropriate, and with a view to maximize trading revenue. To further manage risks, CIBC may enter into contracts with other market makers or may undertake cash market hedges. There is no correlation between the high notional values of contracts to which CIBC is a party and the net market and credit risks to which CIBC is exposed.

Credit risk

Credit risk arises from the potential for a counterparty to default on its contractual obligations and the risk that prevailing market conditions are such that CIBC would incur a loss in replacing the defaulted transaction. CIBC limits the credit risk of derivatives traded over-the-counter by dealing with counterparties that are creditworthy and by actively pursuing risk mitigation opportunities through the use of multi-product master netting agreements, collateral and other credit mitigation techniques. Credit risk on exchange traded futures and options is limited as these transactions are standardized contracts executed on established exchanges that assume the obligations of counterparties and are subject to initial margins and daily settlement of variation margins.

Written options generally have no credit risk as the counterparty has already performed in accordance with the terms of the contract through an upfront payment of the premium.

The following table summarizes the credit exposure of CIBC arising from derivative instruments. The current replacement cost is the estimated cost of replacement of all contracts which have a positive market value, representing an unrealized gain to CIBC. The replacement cost of an instrument is dependent upon its terms relative to prevailing market prices and will fluctuate as market prices change and as the derivative approaches its scheduled maturity.

The credit equivalent amount is the sum of the current replacement cost and the potential credit exposure. The potential credit exposure is an estimate of the amount that the current replacement cost could increase over the remaining term of each transaction, based on a formula prescribed by OSFI. OSFI prescribes a standard measure of counterparty credit risk to be applied to the credit equivalent amount to arrive at the risk-weighted amount. This is presently used in determining the regulatory capital requirements for derivatives.

CIBC negotiates master netting agreements with counterparties with which it has significant credit risk through derivatives activities. Such agreements provide for the simultaneous close out and netting of all transactions with a counterparty in an event of default. An increasing number of these agreements also provide for the exchange of collateral between parties in the event that the mark-to-market value of outstanding transactions between the parties exceeds an agreed threshold. Such agreements are used both to accommodate business with less creditworthy counterparties, as well as to help contain the build up of credit exposure resulting from multiple deals with more active counterparties.

CREDIT RISK

	2001					2000				
	Current replacement cost			**Credit equivalent amount**	**Risk-weighted amount**	Current replacement cost			Credit equivalent amount	Risk-weighted amount
$ millions, as at October 31	**Trading**	**ALM**	**Total**			Trading	ALM	Total		
Interest rate products										
Forward rate agreements	**$ 50**	**$ -**	**$ 50**	**$ 71**	**$ 22**	$ 12	$ -	$ 12	$ 16	$ 4
Swap contracts	**15,794**	**2,122**	**17,916**	**21,562**	**5,844**	6,471	713	7,184	10,642	2,691
Purchased options	**1,160**	**2**	**1,162**	**1,383**	**397**	668	22	690	993	276
	17,004	**2,124**	**19,128**	**23,016**	**6,263**	7,151	735	7,886	11,651	2,971
Foreign exchange products										
Forward contracts	**1,674**	**49**	**1,723**	**3,086**	**961**	1,643	33	1,676	3,248	1,032
Swap contracts	**3,298**	**418**	**3,716**	**7,012**	**1,867**	4,517	259	4,776	8,754	2,622
Purchased options	**369**	**-**	**369**	**598**	**201**	5,979	-	5,979	6,601	3,163
	5,341	**467**	**5,808**	**10,696**	**3,029**	12,139	292	12,431	18,603	6,817
Other[(1)]	**3,378**	**863**	**4,241**	**9,850**	**3,790**	4,557	563	5,120	9,776	3,443
	25,723	**3,454**	**29,177**	**43,562**	**13,082**	23,847	1,590	25,437	40,030	13,231
Less: impact of master netting agreements	**(20,014)**	**-**	**(20,014)**	**(24,516)**	**(7,010)**	(17,109)	-	(17,109)	(22,559)	(7,648)
	$ 5,709	**$3,454**	**$ 9,163**	**$ 19,046**	**$ 6,072**	$ 6,738	$ 1,590	$ 8,328	$ 17,471	$ 5,583

(1) Includes equity swaps and options; precious metals and other commodity forwards, swaps and options, and credit derivatives.

21. CREDIT-RELATED ARRANGEMENTS

Credit-related arrangements are off-balance sheet instruments and are typically entered into to meet the financing needs of customers or to facilitate international trade. CIBC's policy of requiring collateral or other security to support credit-related arrangements and the types of security held is generally the same as for loans. The contract amounts shown for credit-related arrangements represent the maximum amount of additional credit that CIBC could be obligated to extend. The contract amounts also represent the credit risk amounts should the contracts be fully drawn down, the counterparties default and any collateral held proves to be of no value. As many of these arrangements will expire or terminate without being drawn upon, the contract amounts are not necessarily indicative of future cash requirements or credit risk.

	Contract amounts	
$ millions, as at October 31	**2001**	2000
Lines of credit(1)	**$ 103,569**	$ 112,177
Direct credit substitutes:		
Financial guarantees	**7,570**	9,003
Securities lent	**16,283**	17,368
Transaction-related contingencies	**1,464**	1,974
Documentary letters of credit	**217**	260
Other(2)	**310**	293
	$ 129,413	$ 141,075

(1) Includes irrevocable lines of credit totaling $83,896 million (2000: $90,790 million) of which $64,383 million (2000: $65,813 million) will expire in one year or less, and excludes lines of credit for credit cards as the lines are short-term in nature and are revocable at CIBC's discretion.
(2) Includes forward asset purchases.

Lines of credit are undrawn lending facilities that have been approved by CIBC to meet the business requirements of customers. The majority of such commitments are of a general nature with annual review provisions and/or various conditions for drawdown. The credit risk associated with undrawn lending facilities arises from the possibility that a commitment may be drawn down as a loan. Therefore, a lending commitment is subject to the same credit review process as a loan. The amount of collateral obtained, if deemed necessary by CIBC, is based on management's credit evaluation of the borrower and may include a charge over present and future assets of the borrower.

Direct credit substitutes include guarantees or equivalent instruments, such as standby letters of credit which back financial obligations of the customer. Also included as direct credit substitutes are securities lent against collateral. The credit risk associated with direct credit substitutes is essentially the same as that involved in extending loan commitments to customers. The amount of collateral obtained, if deemed necessary by CIBC, is based on management's credit evaluation of the borrower and may include a charge over present and future assets of the borrower.

Transaction-related contingencies are guarantees which back particular performance obligations rather than customers' financial obligations. Examples of transaction-related contingencies are performance bonds, warranties and indemnities.

Documentary letters of credit are short-term instruments issued on behalf of a customer, authorizing a third-party, such as an exporter, to draw drafts on CIBC up to a specified amount, subject to specific terms and conditions. CIBC is at risk for any drafts drawn that are not ultimately settled by the customer. Amounts are collateralized by the related goods.

22. CONCENTRATION OF CREDIT RISK

Concentrations of credit exposure may arise with a group of counterparties which have similar economic characteristics or that are located in the same geographic region. The ability of such counterparties to meet contractual obligations would be similarly affected by changing economic, political or other conditions.

The amounts of foreign and domestic credit exposure associated with CIBC's on-balance sheet financial instruments are summarized in the table "Geographic Distribution of Major Assets" in Note 23.

The amounts of credit exposure associated with CIBC's off-balance sheet financial instruments are summarized in the table below.

CREDIT EXPOSURE

$ millions, as at October 31	**Canada**	**United States**	**Other countries**	**2001 Total**	Canada	United States	Other countries	2000 Total
Credit-related arrangements(1)								
Lines of credit	**$ 40,994**	**$ 55,563**	**$ 7,012**	**$ 103,569**	$ 50,459	$ 54,121	$ 7,597	$ 112,177
Other credit-related arrangements	**16,853**	**6,036**	**2,955**	**25,844**	20,371	5,711	2,816	28,898
	$ 57,847	**$ 61,599**	**$ 9,967**	**$ 129,413**	$ 70,830	$ 59,832	$ 10,413	$ 141,075
Derivative instruments(2)								
By counterparty type								
Financial institutions	**$ 3,738**	**$ 9,830**	**$ 10,771**	**$ 24,339**	$ 2,375	$ 7,125	$ 9,902	$ 19,402
Governments	**1,060**	**8**	**5**	**1,073**	1,223	21	9	1,253
Other	**1,757**	**1,400**	**608**	**3,765**	1,835	2,198	749	4,782
	6,555	**11,238**	**11,384**	**29,177**	5,433	9,344	10,660	25,437
Less: impact of master netting agreements	**(4,157)**	**(8,567)**	**(7,290)**	**(20,014)**	(2,880)	(6,924)	(7,305)	(17,109)
Total derivative instruments	**$ 2,398**	**$ 2,671**	**$ 4,094**	**$ 9,163**	$ 2,553	$ 2,420	$ 3,355	$ 8,328

(1) Credit-related arrangements are allocated based on the location in which they are recorded.
(2) Derivative instruments are allocated based on the location of ultimate risk.

23. SEGMENTED INFORMATION

CIBC's 2001 financial reporting is based on four business lines – Electronic Commerce, Technology and Operations (Electronic Commerce); Retail and Small Business Banking; Wealth Management; and CIBC World Markets. These business lines are supported by three functional groups – Treasury, Balance Sheet and Risk Management; Administration; and Corporate Development. During the year, CIBC announced the integration of Treasury and Balance Sheet Management with Risk Management as part of its ongoing strategy to manage the balance sheet (including capital). In 2000, these were reported as two separate functional groups. The four business lines differ in terms of products and services offered, as well as the geographic location of customers.

Electronic Commerce comprises mortgages, card products, insurance and the development of leading-edge technology businesses, either directly or through electronic banking alliances (e.g. Amicus). The business also manages CIBC's technology and operations function, the payments business (chequing, savings and current accounts) and electronic banking services (telephone banking, Internet banking and ABMs), for which revenue and expenses are fully allocated.

Retail and Small Business Banking provides financial services to retail and small business customers in Canada, as well as retail and commercial customers in the Caribbean. These services are offered through CIBC's extensive Canadian branch network and through non-traditional electronic channels, such as telephone banking, Internet banking, ABMs and debit cards.

Wealth Management delivers a wide selection of investment products and services through a sales force of financial professionals; including full-service brokerage in Canada and the U.S., discount brokerage, a full range of CIBC and third-party mutual funds, fixed-term investments, asset management, global private banking and trust, a broad selection of investment and credit services, and global investment services for institutional, private and mutual fund investors.

CIBC SEGMENTED INCOME STATEMENTS

$ millions, for the years ended October 31		Electronic Commerce	Retail & Small Business Banking	Wealth Management	CIBC World Markets	Corporate and Other(1)	CIBC Total
2001	**Net interest income (TEB)(2)**	**$ 2,520**	**$ 1,063**	**$ 561**	**$ 323**	**$ 226**	**$ 4,693**
	Non-interest income	**1,400**	**211**	**1,404**	**3,525**	**73**	**6,613**
	Intersegment revenue(3)	**(1,934)**	**1,365**	**351**	**218**	**-**	**-**
	Total revenue (TEB)(2)	**1,986**	**2,639**	**2,316**	**4,066**	**299**	**11,306**
	Non-interest expenses	**1,377**	**1,900**	**1,887**	**2,667**	**188**	**8,019**
	Restructuring charge	**73**	**27**	**33**	**63**	**11**	**207**
	Provision for credit losses	**279**	**127**	**-**	**694**	**-**	**1,100**
	Income before taxes and non-controlling interests	**257**	**585**	**396**	**642**	**100**	**1,980**
	Income taxes	**42**	**143**	**85**	**(177)**	**143**	**236**
	Non-controlling interests	**18**	**29**	**-**	**11**	**-**	**58**
	Net income (loss)	**$ 197**	**$ 413**	**$ 311**	**$ 808**	**$ (43)**	**$ 1,686**
	Average assets(4)	**$ 86,885**	**$ 47,026**	**$ 22,918**	**$ 121,969**	**$ -**	**$ 278,798**
2000	Net interest income (TEB)(2)	$ 2,253	$ 1,053	$ 576	$ 407	$ 124	$ 4,413
	Non-interest income	1,312	243	1,837	4,138	267	7,797
	Intersegment revenue(3)	(1,825)	1,261	328	236	-	-
	Total revenue (TEB)(2)	1,740	2,557	2,741	4,781	391	12,210
	Non-interest expenses	1,179	1,729	2,104	2,938	177	8,127
	Restructuring charge	(28)	10	(11)	-	(2)	(31)
	Provision for credit losses	169	514	1	286	250(5)	1,220
	Income (loss) before taxes and non-controlling interests	420	304	647	1,557	(34)	2,894
	Income taxes	84	46	213	410	19	772
	Non-controlling interests	13	26	-	24	(1)	62
	Net income (loss)	$ 323	$ 232	$ 434	$ 1,123	$ (52)	$ 2,060
	Average assets(4)	$ 77,410	$ 48,201	$ 19,307	$ 117,900	$ 301	$ 263,119
1999	Net interest income (TEB)(2)	$ 2,178	$ 975	$ 630	$ 811	$ (57)	$ 4,537
	Non-interest income	1,365	173	1,245	2,843	102	5,728
	Intersegment revenue(3)	(1,871)	1,315	309	245	2	-
	Total revenue (TEB)(2)	1,672	2,463	2,184	3,899	47	10,265
	Non-interest expenses	1,173	1,673	1,949	2,640	137	7,572
	Restructuring charge	77	68	53	182	46	426
	Provision for credit losses	103	238	14	245	150(5)	750
	Income (loss) before taxes and non-controlling interests	319	484	168	832	(286)	1,517
	Income taxes	117	145	18	279	(110)	449
	Non-controlling interests	3	22	-	13	1	39
	Net income (loss)	$ 199	$ 317	$ 150	$ 540	$ (177)	$ 1,029
	Average assets(4)	$ 67,770	$ 44,024	$ 17,647	$ 141,631	$ 772	$ 271,844

(1) Corporate and Other comprises the three functional groups – Treasury, Balance Sheet and Risk Management (TBRM); Administration; and Corporate Development - that support CIBC's business lines, as well as CIBC Mellon's custody business and other revenue and expense items not directly attributable to the four business lines. TBRM revenue, expenses and balance sheet items (including capital) are allocated to the four business lines through a combination of funds transfer pricing and revenue, expense and balance sheet (including capital) allocation models. TBRM is responsible for CIBC's overall balance sheet (including capital) management. As well, TBRM's integrated Treasury Division provides bank-wide asset-liability, funding, liquidity and cash collateral management. The expenses of the Administration group are also generally allocated to the business lines.

(2) Taxable equivalent basis (TEB). Net interest income includes tax-exempt income on certain securities. Since this income is not taxable to CIBC, the rate of interest or dividend received by CIBC is significantly lower than would apply to a loan of the same amount. As the impact of tax-exempt income varies from year to year, such income has been adjusted to a taxable equivalent basis to permit uniform measurement and comparison of net interest income. An equal and offsetting adjustment is made to increase the provision for income taxes. This is the measure reviewed by CIBC's management.

(3) Intersegment revenue represents internal sales commissions and revenue allocations under the Manufacturer/Customer Segment/Distributor Management Model. The majority is payments business revenue allocated from Electronic Commerce to the customer segments.

(4) Assets are disclosed on an average basis as this measure is most relevant to a financial institution and is the measure reviewed by CIBC's management.

(5) Represents an increase in the general allowance for credit losses.

CIBC World Markets is a full-service investment bank, active throughout North America and with growing capabilities in Europe and niche capabilities in Asia.

Results for CIBC's operating segments are based on CIBC's internal financial reporting systems which are maintained on a taxable equivalent basis and adjusted to be consistent with systems utilized in the preparation of CIBC's consolidated financial statements. The assets and liabilities of the segments are transfer priced, using a funding methodology which best reflects their nature and term, at wholesale market rates. Non-interest expenses are matched against the revenue to which they relate. Indirect expenses are allocated to the segments based on appropriate criteria.

To measure and report the results of operations of the four business lines, CIBC utilizes the Manufacturer/Customer Segment/Distributor Management Model which was developed in fiscal 2000. Under this model, internal payments for sales commissions and distribution service fees are made among the business lines. As well, revenue and expenses relating to certain activities (such as the payments business described under Electronic Commerce) are fully allocated to the other business lines. In addition, the revenue, expenses and balance sheet items (including capital) of the three functional groups are generally allocated to the four business lines. This model allows management to better understand the economics of CIBC's customer segments, products and delivery channels.

The model utilizes certain estimates and allocation methodologies in the preparation of segmented financial information. These estimates and methodologies may be refined from time to time and restatement of various periods may occur.

In 2001, CIBC continued to refine certain estimates and allocation methodologies underlying the model. Key changes include refinements to customer segmentation and cost recovery methodologies. These changes primarily affected Imperial Service in the Wealth Management business line and both retail banking and small business banking in the Retail and Small Business Banking business line. Prior year segmented financial information has been restated to conform with the presentation used in 2001.

Each year, the sales and service fees paid to segments for certain products are renegotiated among the business lines. Prior year financial information has not been restated to reflect these fee changes.

Revenue

Revenue for each of the business lines is summarized as follows:

CIBC REVENUE BY BUSINESS LINE(1) (TEB)

$ millions, for the years ended October 31	2001	2000	1999
Electronic Commerce			
Mortgages	**$ 491**	$ 334	$ 340
Cards	**1,128**	936	802
Insurance	**50**	245	233
Other	**317**	225	297
	1,986	1,740	1,672
Retail and Small Business Banking			
Retail banking	**993**	952	877
Small business banking	**661**	681	588
West Indies	**281**	268	263
Lending products	**634**	624	650
Other	**70**	32	85
	2,639	2,557	2,463
Wealth Management			
Imperial Service	**627**	558	530
Private client investment and asset management	**1,051**	1,430	1,078
Global private banking and trust	**145**	191	149
Wealth products	**412**	513	344
Other	**81**	49	83
	2,316	2,741	2,184
CIBC World Markets			
Capital markets	**1,534**	1,516	1,006
Investment banking and credit products	**1,474**	1,723	1,922
Merchant banking	**569**	1,021	462
Commercial banking	**481**	491	484
Other	**8**	30	25
	4,066	4,781	3,899
Corporate and Other	**299**	391	47
Total(2)	**$ 11,306**	$ 12,210	$ 10,265

(1) Revenue includes the impact of internal sales commissions and revenue allocations under the Manufacturer/Customer Segment/Distributor Management Model.
(2) A TEB adjustment of $144 million (2000: $131 million; 1999: $129 million) must be deducted from this table to reconcile combined segment revenue to reported revenue of $11,162 million (2000: $12,079 million; 1999: $10,136 million) in the consolidated statements of income.

Electronic Commerce

Mortgages includes both residential and commercial mortgages. Revenue is earned from net interest spreads and fees.

Cards comprises a portfolio of credit cards. Revenue is earned from net interest spreads and fees.

Insurance provides creditor insurance products. Revenue comprises earned premiums less claims plus investment income.

Other includes Amicus, CIBC's co-branded retail banking business, electronic and self-service banking, the allocation of a portion of treasury revenue and INTRIA third-party technology and operations services.

Retail and Small Business Banking

Retail banking is the individual customer segment (customers other than those in Imperial Service). Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses.

Small business banking is the customer segment supporting small owner-operated businesses, including owners' personal holdings. Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses. Small business banking also includes bizSmart, which earns revenue from net interest spreads.

West Indies is a full-service banking operation in eight countries, servicing all customer segments through a 45-branch network and electronic delivery channels. Revenue is earned on net interest spreads and sales and service fees.

Lending products comprises personal (including student loans), small business and agricultural lending portfolios. Revenue is earned through net interest spreads and service fees; part of this revenue is paid to the customer segments.

Other consists primarily of the allocation of a portion of treasury revenue.

Wealth Management

Imperial Service is the customer segment offering financial advice to CIBC's high-value clients. Specially trained financial advisers support the financial planning and product fulfillment needs of these clients. Revenue is earned primarily from sales and service fees paid by CIBC's product groups.

Private client investment and asset management generates fees and commissions from full-service retail brokerage, providing equity and debt investments, mutual fund products, asset management services and advisory and financial planning services to individuals in Canada and the United States.

Global private banking and trust provides a comprehensive range of global solutions, including investment management, trusts, private banking and global custody, to meet the financial management needs of individuals, families and corporations with significant financial resources. Revenue is earned from net interest spreads, fees and commissions.

Wealth products includes mutual funds, investment management services, online and discount brokerage services and GICs. These investment products are developed and distributed to retail, small business banking and Imperial Service customers. Revenue is earned from net interest spreads, fees and commissions.

Other consists primarily of the allocation of a portion of treasury revenue.

CIBC World Markets

Capital markets operates trading, sales and research businesses serving institutional, corporate and government clients across North America and around the world. Revenue is generated from fees, commissions, spread-based income and from taking proprietary positions within prescribed risk parameters.

Investment banking and credit products provides advisory services and underwriting of debt, credit and equity for corporate and government clients across North America and around the world. Revenue is earned from fees relating to merger and acquisition services, underwriting activity, advisory services, and loan syndications. In addition, net interest is earned on spreads on corporate loans.

Merchant banking makes investments to create, grow and recapitalize companies across a variety of industries. Revenue is generated from fees, interest and dividends earned on investments and from gains or losses associated with these investments.

Commercial banking originates financial solutions centred around credit products for medium-sized businesses in Canada. Revenue is generated from interest, fees and service charges.

Other includes the allocation of a portion of treasury revenue, net of unallocated funding charges; CEF Capital, an affiliated Asian merchant bank holding company; and other revenue not directly attributed to the main businesses listed above.

Geographic distribution

CIBC earns revenue and incurs expenses from domestic and foreign activities, and has domestic and foreign assets from which income is earned. Assets are allocated based on the location of ultimate risk, while net income and related income taxes are allocated based on the geographic location in which income is recorded. The geographic distribution of net income and major assets are set out in the following tables.

GEOGRAPHIC DISTRIBUTION OF NET INCOME

$ millions, for the years ended October 31		Canada	United States	West Indies	Other countries	Total
2001	**Net interest income**	**$ 3,468**	**$ (5)**	**$ 770**	**$ 316**	**$ 4,549**
	Non-interest income	**3,247**	**2,183**	**866**	**317**	**6,613**
	Total revenue	**6,715**	**2,178**	**1,636**	**633**	**11,162**
	Non-interest expenses	**5,093**	**2,591**	**191**	**351**	**8,226**
	Provision for credit losses	**476**	**620**	**9**	**(5)**	**1,100**
	Income (loss) before taxes and non-controlling interests	**1,146**	**(1,033)**	**1,436**	**287**	**1,836**
	Income taxes	**536**	**(686)**	**195**	**47**	**92**
	Non-controlling interests	**12**	**11**	**35**	**-**	**58**
	Net income (loss)	**$ 598**	**$ (358)**	**$ 1,206**	**$ 240**	**$ 1,686**
2000	Net interest income	$ 2,957	$ 119	$ 772	$ 434	$ 4,282
	Non-interest income	4,032	2,827	867	71	7,797
	Total revenue	6,989	2,946	1,639	505	12,079
	Non-interest expenses	4,918	2,632	185	361	8,096
	Provision for credit losses	1,034	166	21	(1)	1,220
	Income before taxes and non-controlling interests	1,037	148	1,433	145	2,763
	Income taxes	428	22	220	(29)	641
	Non-controlling interests	12	24	26	-	62
	Net income	$ 597	$ 102	$ 1,187	$ 174	$ 2,060
1999	Net interest income	$ 3,235	$ 294	$ 514	$ 365	$ 4,408
	Non-interest income	2,607	2,318	704	99	5,728
	Total revenue	5,842	2,612	1,218	464	10,136
	Non-interest expenses	5,095	2,244	186	473	7,998
	Provision for credit losses	644	96	15	(5)	750
	Income (loss) before taxes and non-controlling interests	103	272	1,017	(4)	1,388
	Income taxes	29	91	251	(51)	320
	Non-controlling interests	3	13	23	-	39
	Net income	$ 71	$ 168	$ 743	$ 47	$ 1,029

GEOGRAPHIC DISTRIBUTION OF MAJOR ASSETS(1)

$ millions, as at September 30 and October 31		**2001**	2000	1999
Canada		**$ 174,031**	$ 157,493	$ 144,807
United States		**66,329**	66,079	64,848
Europe	United Kingdom	**6,432**	6,862	6,714
	France	**3,637**	3,731	4,334
	Germany	**6,626**	6,469	6,399
	Other European countries	**10,413**	9,173	11,042
		27,108	26,235	28,489
Latin America		**535**	510	556
West Indies		**5,088**	4,776	4,663
Asia and Pacific	Japan	**1,889**	2,072	3,818
	Hong Kong	**985**	1,172	1,625
	Australia	**346**	439	509
	Other Asian and Pacific countries	**770**	1,348	2,155
		3,990	5,031	8,107
Middle East and Africa		**568**	1,041	735
General allowance for credit losses(2)		**(1,250)**	(1,250)	(1,000)
Major assets(1)		**276,399**	259,915	251,205
Other assets		**11,097**	8,975	7,386
Total assets as at September 30(3)		**$ 287,496**	$ 268,890	$ 258,591
Net change in October		**(22)**	(1,188)	(8,260)
Total assets as at October 31		**$ 287,474**	$ 267,702	$ 250,331
Canadian currency(2)		**$ 178,895**	$ 161,393	$ 146,500
Foreign currencies		**$ 108,579**	$ 106,309	$ 103,831

(1) Major assets consist of cash, loans, securities, deposits with banks, customers' liability under acceptances, and derivative instruments market valuation, after deduction of allowances for credit losses.
(2) For purposes of presentation, the general allowance for credit losses has been entirely applied to Canadian dollar based lending.
(3) The information presented here is compiled for regulatory purposes and reported on a calendar quarter basis.

24. COMMITMENTS AND CONTINGENT LIABILITIES

Long-term commitments for leases

CIBC has obligations under non-cancellable leases for buildings and equipment.

Future minimum lease payments for all lease commitments for each of the five succeeding years and thereafter are as follows:

LEASE COMMITMENTS(1)(2)(3)(4)

$ millions	
2002	$ 376
2003	346
2004	325
2005	274
2006	244
2007 and thereafter	1,102

(1) Total rental expense in respect of buildings and equipment charged to the consolidated statements of income was $412 million (2000: $428 million; 1999: $394 million).
(2) Includes future minimum lease commitments under sale-leaseback amounting to $55 million in 2002, $54 million in 2003, $52 million in 2004, $51 million in 2005, $50 million in 2006 and $230 million in 2007 and thereafter.
(3) Includes $183 million of lease commitments relating to one of CIBC's leased premises in New York. These premises were sublet during 2001, with the sub-lease effective January 2004.
(4) Excludes lease commitments relating to newly leased office premises in New York, effective for January 2004, which are currently under construction. CIBC's lease obligations were not determinable at the time of preparation of the financial statements as they are dependent on permanent financing arrangements for the building.

Other commitments and contingent liabilities

In the ordinary course of business, securities and other assets are pledged against liabilities or used to facilitate certain activities. The table presents the details of notional amounts pledged.

PLEDGED ASSETS

$ millions, as at October 31	**2001**	2000
Foreign governments and central banks(1)	**$ 3,937**	$ 2,349
Clearing systems, payment systems and depositories(1)	**680**	372
Margins for exchange traded futures and options, and collateralized derivative transactions	**3,033**	2,276
Collateral related to securities borrowed, securities sold short and securities lent or sold under repurchase agreements	**36,607**	32,977
	$ 44,257	$ 37,974

(1) Includes assets pledged in order to participate in clearing and payment systems and depositories or to have access to the facilities of central banks in foreign jurisdictions.

Various actions and legal proceedings arising in the normal course of business are pending against CIBC and its subsidiaries. Management considers the aggregate exposure, if any, of these actions and proceedings to be insignificant.

25. EVENTS OF SEPTEMBER 11, 2001

CIBC's New York operations located at One World Financial Center (WFC), in close proximity to the World Trade Center, were directly affected by the events of September 11, 2001. Losses and incremental expenses related specifically to these events, net of insurance recovery of $11 million, amounted to $7 million. The fixed assets at WFC sustained considerable damage; however, primarily due to inaccessibility to the premises, the amount of any losses for destroyed or damaged assets was not determinable at the time of preparation of the consolidated financial statements. Any losses determined in the future are expected to be substantially covered by insurance.

Management is in the process of compiling information in support of a claim for lost business income under a business interruption insurance policy. Insurance recoveries under this policy, and any amounts receivable under various government incentive and other assistance programs, will be recorded in future periods.

As a result of the events of September 11, 2001, CIBC's operations at WFC were relocated to CIBC's other major premises in midtown Manhattan, as well as to temporary locations in the vicinity. Management has not made a decision whether to return to WFC once it becomes suitable for occupancy. The financial impact of this decision was not determinable at the time of preparation of the consolidated financial statements.

26. RECONCILIATION OF CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

CIBC's consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP), including the accounting requirements of OSFI. These principles conform, in all material respects, with generally accepted accounting principles in the United States (U.S. GAAP), except as described below.

Reconciliation of consolidated net income

The application of U.S. GAAP would have the following effects on CIBC's consolidated net income and earnings per share (EPS) as reported under Canadian GAAP:

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

$ millions, except per share data, for the years ended October 31	2001	2000	1999
Net income as reported	$ 1,686	$ 2,060	$ 1,029
Non-interest income			
Trading activities	(8)	35	23
Investment securities	(18)	-	-
Limited partnerships	(28)	-	-
SFAS 133 transitional provision	183	-	-
SFAS 133 adjustments	(67)	-	-
Non-interest expenses			
Employee compensation and benefits	(98)	(67)	(72)
Restructuring charge	-	(216)	216
Stock-based compensation	(9)	(28)	-
Lease termination costs	(50)	50	-
Net change in income taxes due to the above items	41	97	(72)
	(54)	(129)	95
Net income based on U.S. GAAP	1,632	1,931	1,124
Less: Preferred dividends	(121)	(128)	(112)
Net income available to common shareholders based on U.S. GAAP	$ 1,511	$ 1,803	$ 1,012
Weighted-average basic shares outstanding (in thousands)	372,305	388,951	409,789
Add: Options	3,477	1,279	779
Weighted-average diluted shares outstanding	375,782	390,230	410,568
Basic EPS	$ 4.06	$ 4.64	$ 2.47
Diluted EPS	$ 4.02	$ 4.62	$ 2.46

Non-interest income

Trading activities

Under Canadian GAAP, CIBC records certain valuation adjustments to trading securities to reflect resale restrictions that expire within one year or adjustments for liquidity. Under U.S. GAAP, Statement of Financial Accounting Standards (SFAS) 115, "Accounting for Certain Investments in Debt and Equity Securities," these valuation adjustments are not permitted.

CIBC's U.S. GAAP net income was decreased by $8 million (2000: increased by $35 million; 1999: increased by $23 million) pre-tax as a result of this difference.

Investment securities

Under Canadian GAAP, CIBC records securities held for investment at cost, less amounts for impairment of carrying values deemed to be other-than-temporary in nature. Under U.S. GAAP, when an other-than-temporary impairment has occurred on a publicly traded available-for-sale security, SFAS 115 requires the establishment of a new cost basis for the security, equal to its quoted market price at the time impairment is determined to be other-than-temporary.

CIBC's U.S. GAAP net income was decreased by $18 million pre-tax (2000: nil; 1999: nil) as a result of this difference.

Limited partnerships

Under Canadian GAAP, certain of CIBC's investments in limited partnerships are accounted for on a cost basis. CIBC records an impairment loss on these investments when there is evidence of an other-than-temporary decline in their value. Under U.S. GAAP, Emerging Issues Task Force (EITF) Topic D-46, "Accounting for Limited Partnership Investments," requires the use of the equity method to account for such investments when the equity interest is more than minor.

CIBC's U.S. GAAP net income was decreased by $28 million (2000: nil; 1999: nil) pre-tax as a result of this difference.

SFAS 133 (Derivative instruments and hedging activities)

Under Canadian GAAP, derivative instruments used for hedging purposes are accounted for using the accrual method as described in Note 1. Effective November 1, 2000, CIBC adopted the requirements of SFAS 133, "Accounting for Derivative Instruments," for U.S. GAAP purposes. As explained under Derivative instruments and hedging activities (SFAS 133) on the following pages, SFAS 133 requires that all derivative instruments be recognized at fair value in the financial statements.

CIBC's U.S. GAAP net income was increased by $183 million pre-tax as a result of the transitional provisions upon the adoption of SFAS 133. In addition, subsequent to adoption, CIBC's U.S. GAAP net income was decreased by $67 million pre-tax as a result of the current year's SFAS 133 adjustments.

Non-interest expenses

Employee compensation and benefits

As explained in Note 14, effective November 1, 2000, CIBC retroactively adopted the requirements of CICA 3461, "Employee Future Benefits," which substantially harmonized Canadian and U.S. GAAP except for the recognition of certain unamortized actuarial losses and transitional obligations that resulted from the application of U.S. GAAP on a prospective basis.

Under Canadian GAAP, prior to November 1, 2000, CIBC recognized pension costs based on long-term best estimate actuarial assumptions (2000: 7.5%; 1999: 7.5%), while under U.S. GAAP, SFAS 87, "Employers' Accounting for Pensions," a current market discount rate (2000: 6.75%; 1999: 7.0%) was used.

Under Canadian GAAP, prior to November 1, 2000, CIBC recognized the costs of post-retirement benefits, other than pension costs, when paid. Under U.S. GAAP, SFAS 106, "Employer's Accounting for Post-Retirement Benefits Other Than Pensions," requires

that the expected costs of employees' post-retirement benefits be expensed during the years that the employees render services.

CIBC's U.S. GAAP net income was decreased by $98 million pre-tax in 2001 as a result of the unamortized actuarial losses and transitional obligations. In 2000 and 1999, CIBC's U.S. GAAP net income was decreased by $67 million and $72 million pre-tax, respectively, as a result of the difference in discount rates and the accrual of post-retirement benefits.

Restructuring charge

Under Canadian GAAP, a liability for termination benefits pursuant to a restructuring is recognized in the period management approves the plan of termination if certain conditions exist. CIBC met all the necessary conditions in 1999 for recording a $426 million pre-tax restructuring charge.

In addition to these conditions, under U.S. GAAP, FASB EITF Issue 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)," requires that prior to the date of the financial statements, the termination benefit arrangement must be communicated to employees. This U.S. GAAP condition was not met for $216 million of CIBC's 1999 restructuring charge until 2000, resulting in a timing difference for recognition of the restructuring charge under Canadian and U.S. GAAP.

CIBC's U.S. GAAP net income was not impacted in 2001 (2000: decreased by $216 million pre-tax; 1999: increased by $216 million pre-tax) as this difference reversed in 2000.

Stock-based compensation

As explained in Note 13, certain vested employee stock options can be exercised as Stock Appreciation Rights (SARs). For Canadian GAAP purposes, CIBC charges the cash payment to retained earnings when a SAR is exercised. Under U.S. GAAP, Accounting Principles Board Opinion (APB) No. 25, "Accounting for Stock Issued to Employees," requires that the estimated cost of future cash payments be accrued over the vesting period of the options. The estimated cost is determined as the excess of the stocks' quoted market price over the option strike price. FASB Interpretation No. 28, "Accounting for Stock Appreciation Rights and other Variable Stock Option or Award Plans," permits the accrual to be determined as an estimate (based on past experience) of the proportion of stock options expected to be exercised for cash.

CIBC's U.S. GAAP net income was increased by $9 million (2000: decreased by $28 million; 1999: nil) pre-tax and retained earnings were increased by $14 million (2000: $8 million; 1999: nil) as a result of this difference.

Upon its acquisition by CIBC, TAL Global Asset Management Inc. settled all its outstanding employee stock options in cash. Under Canadian GAAP, the cash settlement of these variable stock options was charged to retained earnings. Under U.S. GAAP, APB No. 25 requires this settlement payment to be charged to income.

CIBC's U.S. GAAP net income was decreased by $18 million pre-tax (2000: nil; 1999: nil) and retained earnings were increased by $11 million (2000: nil; 1999: nil) as a result of this difference.

Lease termination costs

Prior to October 31, 2000, CIBC made the decision to consolidate its leased premises in New York and move out of existing premises within three years. Under Canadian GAAP, all future net costs related to pre-existing leases are recognized as an expense in the period when the decision is made to stop using the pre-existing leased property. Under FASB EITF Issue 88-10, "Costs Associated with Lease Modification or Termination," and FASB EITF Issue 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)," future net costs related to pre-existing leased property that will no longer be used cannot be recognized as an expense until a confirming event occurs, in this case, the signing of a sub-lease.

CIBC's U.S. GAAP net income was decreased by $50 million in 2001 (2000: increased by $50 million) pre-tax as a result of this timing difference.

Earnings per share

Under Canadian GAAP, diluted EPS is calculated by adjusting net income available to common shareholders for imputed earnings on funds which would have been received on the exercise of options. SFAS 128, "Earnings per Share," requires the use of the treasury stock method, whereby diluted earnings per share are calculated as if options were exercised at the beginning of the year and funds received were used to purchase the corporation's own stock. Under U.S. GAAP, 3,477 thousand (2000: 1,279 thousand; 1999: 779 thousand) shares were added to the weighted-average basic shares outstanding to calculate diluted earnings per share. Basic and diluted EPS before the transitional provision for SFAS 133 were $3.80 and $3.77, respectively.

Pro-forma disclosures

CIBC applies the intrinsic-value based method of accounting for stock-based compensation in determining U.S. GAAP net income. SFAS 123, "Stock-Based Compensation," requires pro-forma disclosure of net income and earnings per share as if the fair-value based method had been applied. The weighted-average grant-date fair value of options granted in 2001 has been estimated at $14.76 (2000: $12.29; 1999: $13.19) using the Black-Scholes model for pricing options.

The pricing model assumes weighted-average risk-free interest rates of 5% (2000: 7%; 1999: 6%), weighted-average expected dividend yields of 2.73% annually (2000: 3.19%; 1999: 3.10%), weighted-average expected common stock price volatility of 25% (2000: 25%; 1999: 28%) and a weighted-average expected life of 10 years.

The fair-value based method requires that the compensation cost related to SARs be measured as the intrinsic value of the SARs at the exercise date. Consequently, under the fair-value based method, compensation cost on SARs is measured on a straight-line basis over the vesting period based on the excess of quoted market price over strike price, assuming that all options eligible for SARs are exercised as SARs.

Had the fair-value based method been used for awards granted subsequent to 1995, U.S. GAAP net income in 2001 would have been decreased by $37 million (2000: $52 million; 1999: $13 million), and basic and diluted earnings per share reduced by $0.10 (2000: $0.13; 1999: $0.03).

Comprehensive income

SFAS 130, "Reporting Comprehensive Income," requires that a statement of comprehensive income be displayed with the same prominence as other financial statements. Comprehensive income, which incorporates net income, includes all changes in equity during a period, except those resulting from investments by, and distributions to, owners. There is no requirement to disclose comprehensive income under Canadian GAAP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

$ millions, for the years ended October 31	2001	2000	1999
Net income based on U.S. GAAP	**$ 1,632**	$ 1,931	$ 1,124
Other comprehensive income, net of tax			
Change in foreign currency translation adjustments (1)	**38**	8	(4)
Change in net unrealized (losses) gains on securities available for sale (2)(3)	**(1,119)**	(637)	1,152
Change in net unrealized gains on hedges of securities available for sale (4)	**(51)**	51	-
SFAS 133 transitional provision (5)	**(17)**	-	-
SFAS 133 adjustments (5)	**647**	-	-
Total other comprehensive income	**(502)**	(578)	1,148
Comprehensive income	**$ 1,130**	$ 1,353	$ 2,272

(1) Net of income tax benefit (expense) of $323 million (2000: $179 million; 1999: $(146) million).
(2) Net of income tax benefit (expense) of $690 million (2000: $414 million; 1999: $(458) million).
(3) Net of reclassification adjustments for realized gains included in net income of $819 million (2000: $1,063 million; 1999: $232 million).
(4) Net of income tax benefit (expense) of $38 million (2000: $(38) million; 1999: nil).
(5) Net of income tax expense of $409 million (2000: nil; 1999: nil).

ACCUMULATED OTHER COMPREHENSIVE INCOME

$ millions, as at or for the years ended October 31	2001	2000	1999
Balance at beginning of year	**$ 1,693**	$ 2,271	$ 1,123
Changes during the year:			
Foreign currency translation adjustments	**38**	8	(4)
Net unrealized (losses) gains on securities available for sale	**(1,119)**	(637)	1,152
Net unrealized gains on hedges of securities available for sale	**(51)**	51	-
SFAS 133 transitional provision	**(17)**	-	-
SFAS 133 adjustments	**647**	-	-
Balance at end of year	**$ 1,191**	$ 1,693	$ 2,271

SFAS 133 (Derivative instruments and hedging activities)

As explained under Derivative instruments and hedging activities (SFAS 133), upon the adoption of SFAS 133, CIBC's other comprehensive income (OCI) was decreased by $45 million pre-tax ($17 million after-tax) as a result of the transitional provisions in this standard. In addition, subsequent to adoption, CIBC's OCI was increased by $1,084 million pre-tax ($647 million after-tax) as a result of the current year's SFAS 133 adjustments.

Consolidated balance sheets

The application of U.S. GAAP would have the following effects on CIBC's consolidated balance sheet items as reported under Canadian GAAP:

CONSOLIDATED BALANCE SHEETS

$ millions, as at October 31	2001	2000 (1)
Securities		
Canadian GAAP	**$ 74,794**	$ 69,242
Adjustments in respect of:		
Securities held for trading	**50**	58
Securities held for investment	**(22,849)**	(15,864)
Securities held to maturity	**-**	4,709
Securities available for sale	**23,562**	13,695
U.S. GAAP	**$ 75,557**	$ 71,840
Derivative instruments market valuation, assets		
Canadian GAAP	**$ 25,723**	$ 23,847
SFAS 133	**2,066**	-
U.S. GAAP	**$ 27,789**	$ 23,847
Other assets		
Canadian GAAP	**$ 10,098**	$ 7,686
Adjustments in respect of:		
Limited partnerships	**(28)**	-
Hedge of securities available for sale	**-**	89
Prepaid pension costs	**(330)**	(127)
Collateral for securities lending	**523**	-
U.S. GAAP	**$ 10,263**	$ 7,648
Deposits		
Canadian GAAP	**$ 194,352**	$179,632
SFAS 133	**173**	-
U.S. GAAP	**$ 194,525**	$179,632
Derivative instruments market valuation, liabilities		
Canadian GAAP	**$ 26,395**	$ 24,374
SFAS 133	**588**	-
U.S. GAAP	**$ 26,983**	$ 24,374
Other liabilities		
Canadian GAAP	**$ 10,112**	$ 10,630
Adjustments in respect of:		
Lease termination costs	**-**	(50)
Stock-based compensation	**4**	20
Post-retirement benefit liability	**(172)**	170
Collateral from securities lending	**523**	-
Net change in income taxes due to U.S. GAAP adjustments	**584**	847
U.S. GAAP	**$ 11,051**	$ 11,617
Subordinated indebteness		
Canadian GAAP	**$ 3,999**	$ 4,418
SFAS 133	**150**	-
U.S. GAAP	**$ 4,149**	$ 4,418
Retained Earnings		
Canadian GAAP	**$ 6,774**	$ 6,625
Current year adjustments to consolidated net income	**(54)**	(129)
Cumulative effect of prior year adjustments to consolidated net income	**(120)**	9
Adjustment for change in accounting policy (Note 14)	**140**	-
Foreign currency translation adjustments	**(38)**	(8)
Stock-based compensation	**25**	8
U.S. GAAP	**$ 6,727**	$ 6,505

(1) Certain comparative figures have been restated to conform with the presentation used in 2001.

Securities

As explained under Trading activities on the preceding pages, CIBC records certain valuation adjustments to the value of trading securities for Canadian reporting purposes, which are not permitted under U.S. GAAP.

CIBC's securities held for trading were increased by $50 million (2000: $58 million) on the U.S. GAAP consolidated balance sheets as a result of this difference.

As explained under Investment securities on the preceding pages, under U.S. GAAP, publicly available-for-sale securities, which are deemed to be impaired on an other-than-temporary basis, must be carried on the balance sheet at their quoted market price at the time the impairment is determined to be other-than-temporary.

CIBC's securities available for sale were decreased by $18 million (2000: nil) on the U.S. GAAP consolidated balance sheets as a result of this difference.

Under Canadian GAAP, securities classified as held for investment are carried at either cost or amortized cost. Under U.S. GAAP, SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities," requires these securities to be classified as either securities held to maturity or as securities available for sale. The accounting for securities held to maturity is consistent with the accounting for securities held for investment, while securities available for sale are reported at estimated fair value with unrealized gains and losses excluded from earnings and reported as a separate component of shareholders' equity.

SFAS 115 also requires the following additional disclosures:

SECURITIES AVAILABLE FOR SALE

$ millions, for the years ended October 31	2001	2000(1)	1999(1)
Proceeds from sales	**$ 17,527**	$ 12,587	$ 9,431
Gross realized gains	**$ 1,058**	$ 1,137	$ 818
Gross realized losses	**$ 36**	$ 26	$ 3

(1) Certain comparative figures have been restated to conform with the presentation used in 2001.

As explained under Derivative instruments and hedging activities (SFAS 133) upon the adoption of SFAS 133, CIBC elected to reclassify $4,709 million of securities held to maturity as securities available-for-sale as a result of the transitional provisions in this standard.

Prepaid pension costs

As explained under Employee compensation and benefits on the preceding pages, CIBC retroactively adopted CICA 3461, "Employee Future Benefits," which substantially harmonized Canadian and U.S. GAAP. Under Canadian GAAP, prior to November 1, 2000, the discount rate used to calculate the obligation was based on long-term best estimate actuarial assumptions (2000: 7.5%; 1999: 7.5%). Under U.S. GAAP, SFAS 87, "Employers' Accounting for Pensions," requires that the projected benefit obligation be calculated using a current market discount rate (2000: 6.75%; 1999: 7.0%). For 2001, these differences have been eliminated. CIBC reports prepaid pension costs on a prospective basis under U.S. GAAP, resulting in a difference of $330 million in unamortized actuarial losses.

CIBC's prepaid pension costs, which are included in other assets, were decreased by $330 million in 2001 on CIBC's U.S. GAAP consolidated balance sheets as a result of the unamortized actuarial losses due to the different treatment of the transitional obligations. In 2000, CIBC's prepaid pension costs were decreased by $127 million on the U.S. GAAP consolidated balance sheets as a result of the difference in discount rates.

Other assets

The U.S. GAAP consolidated balance sheet adjustments in respect of limited partnerships and SFAS 133 are explained on the preceding pages.

In addition, under U.S. GAAP, SFAS 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," certain non-cash collateral received in securities lending transactions is recognized as an asset, and a liability is recorded for obligations to return the collateral. CIBC's other assets were increased by $523 million (2000: nil) on the U.S. GAAP consolidated balance sheets as a result of this difference.

Post-retirement benefit liabilities

As explained under Employee compensation and benefits on the preceding pages, accounting for post-retirement benefits under Canadian GAAP is now, in all material respects, consistent with U.S. GAAP. Under Canadian GAAP, prior to November 1, 2000, CIBC recognized the costs of post-retirement benefits, other than pension costs, when paid. Under U.S. GAAP, SFAS 106, "Employer's Accounting for Post-Retirement Benefits Other Than Pensions," requires that the expected costs of employees' post-retirement benefits be expensed during the years that the employees render services. CIBC reports U.S. GAAP on a prospective basis, resulting in a difference of $172 million in unrecognized transitional obligations.

CIBC's post-retirement benefit liability, which is included in other liabilities, was decreased by $172 million in 2001 on CIBC's U.S. GAAP consolidated balance sheets as a result of the unrecognized transitional obligations. In 2000, CIBC's post-retirement benefits were increased by $170 million on CIBC's U.S. GAAP consolidated balance sheets as a result of accruing post-retirement benefits.

Other liabilities

The U.S. GAAP consolidated balance sheet adjustments in respect of lease termination costs, stock-based compensation and collateral for securities lending are explained on the preceding pages.

The adjustment in respect of the change in income taxes results primarily from tax effecting the adjustments to CIBC's U.S. GAAP net income, including those adjustments in OCI.

Derivative instruments and hedging activities (SFAS 133)

As previously discussed, effective November 1, 2000, CIBC adopted the requirements of SFAS 133 for U.S. GAAP purposes. Under SFAS 133, every derivative instrument, including derivative instruments embedded in financial instruments that are not clearly and closely related to the economic characteristics of the underlying host financial instruments, must be recognized separately at fair value on the balance sheet as either an asset or liability. Changes in the derivative

instrument's fair value must be recognized in current earnings. If a derivative instrument is designated as a hedge and meets the criteria for hedge effectiveness, earnings offset is available but only to the extent that the hedge is effective. The ineffective portion of the change in fair value of a derivative instrument that meets hedge effectiveness tests is recognized in current earnings.

Where CIBC designates derivative instruments as accounting hedges of the changes in the fair values of assets, liabilities or firm commitments, and hedge effectiveness criteria are met, an offset to current earnings is provided by adjusting the carrying values of the underlying assets, liabilities or firm commitments by an amount equal to the change in the fair value of these underlyings attributed to the risk being hedged. These adjustments to the carrying values are subsequently amortized into earnings on a straight-line basis over the remaining term of the underlying asset, liability or firm commitment.

Where CIBC designates derivative instruments as accounting hedges of the variability of cash flows related to variable-rate assets, liabilities, or forecasted transactions and hedge effectiveness criteria are met, earnings offset for changes in the derivative instruments' fair value are reported in OCI, but only to the extent the hedges are effective. Adjustments to OCI are subsequently reclassified to earnings in the periods in which the variable cash flows from the hedged items are included in earnings.

Where CIBC designates derivative instruments as accounting hedges of the foreign currency exposure of its net investments in foreign operations, and hedge effectiveness criteria are met, earnings offset for changes in the derivative instruments' fair value are reported in OCI but only to the extent the hedges are effective.

The change in fair value of derivative instruments not designated or not effective as accounting hedges is recognized in current earnings.

Where an accounting hedge relationship is terminated because the hedge is dedesignated, hedge effectiveness criteria are not met or forecasted transactions are no longer expected to occur, the hedge accounting treatment described above is discontinued. The change in fair value of the derivative instrument after discontinuation of the hedge relationship is included in current earnings with no accounting offset until such time as the derivative is redesignated as part of a new hedge relationship.

As a result of the operational cost constraints of applying hedge accounting to certain hedge relationships, upon adoption of SFAS 133, CIBC elected not to designate as hedges for accounting purposes certain derivative hedge instruments used to manage economic exposures. Similar elections have been made during the year and may be made in the future. The changes in the fair value of these derivatives are included in current earnings.

In accordance with the transition provisions of SFAS 133, on November 1, 2000, CIBC recorded a net after-tax cumulative-effect-type gain of $96 million ($183 million pre-tax) in income and a net after-tax cumulative-effect-type-reduction of $17 million ($45 million pre-tax) in OCI. In addition, the carrying values of assets and liabilities were increased by $267 million and $188 million, respectively. CIBC also elected to reclassify $4,709 million of securities held to maturity as securities available-for-sale so that those securities would be eligible for hedge accounting treatment in the future. This reclassification resulted in a $30 million after-tax ($53 million pre-tax) gain in OCI.

Subsequent to adoption, CIBC's U.S. GAAP net income was decreased by $28 million ($67 million pre-tax) as a result of the current year's SFAS 133 adjustments.

Subsequent to adoption, CIBC's OCI increased $647 million ($1,084 million pre-tax) for the change in the effective portion of cash flow hedges and for the effective portion of fair value hedges of securities available-for-sale. In the next 12 months, CIBC expects to reclassify an immaterial amount of net gains on derivative instruments from accumulated OCI to earnings primarily to offset variable interest on floating rate instruments related to cash flow hedges. The maximum length of time over which CIBC's variability in cash flows is hedged is 6 years.

As a result, derivative instruments market valuation assets and liabilities on CIBC's U.S. GAAP consolidated balance sheets as at October 31, 2001 were increased by $2,066 million and $588 million, respectively. In addition, deposits and subordinated indebtedness were increased by $173 million and $150 million, respectively.

Future U.S. accounting policy changes

CIBC will be required to adopt the following accounting standards for U.S. GAAP purposes in future years.

In July 2001, the FASB issued SFAS 141, "Business Combinations," which is effective for all business combinations completed after June 30, 2001 and SFAS 142, "Goodwill and Other Intangible Assets," which is effective for fiscal 2003, with early adoption permitted in fiscal 2002.

SFAS 141 and 142 substantially harmonize Canadian and U.S. GAAP in the areas of business combinations, and goodwill and intangible assets, respectively. See Note 28 for a description of the provisions and impact of the Canadian standards.

27. RESTRUCTURING

During the year, CIBC initiated a bank-wide cost-reduction program in response to current economic conditions. This resulted in a restructuring charge of $207 million which was included in non-interest expenses in the consolidated statements of income.

Electronic Commerce, Technology and Operations plans include the reorganization of certain areas within Amicus, CIBC's co-branded retail banking business, and staff rationalization within Technology and Operations to align with changes elsewhere within CIBC.

In Retail and Small Business Banking, initiatives include consolidation of branches and rationalization of business line support functions to take advantage of synergies across the organization.

Wealth Management plans include staff optimization designed to eliminate redundancies in the front and back offices.

CIBC World Markets initiatives include reorganization of certain operations in Australia, and staff reductions in the Capital Markets, Investment Banking and Commercial Banking businesses.

The overall restructuring plan includes elimination of approximately 2,300 positions; accordingly $181 million has been accrued for severance and employee support costs directly related to the program. A significant portion of the staff reductions will occur in fiscal 2002.

Other costs of $26 million include lease termination costs relating to premises currently occupied by Amicus, and the write-down of certain assets relating to businesses to be discontinued.

The actions under this restructuring program will be substantially completed by the end of fiscal 2002.

Restructuring initiatives under the 1999 cost-reduction program (2000: $(31) million; 1999: $426 million) are now completed. Activities under this plan included rationalization of the delivery network for retail and insurance customers, exiting direct life insurance and other unprofitable lines of business, consolidation of global capital market activities, and discontinuation of non-core product offerings in the U.S. During the year, approximately 700 positions were eliminated.

The components of the charges and movements in the associated provision are as follows:

RESTRUCTURING PROVISION

	2001			2000		
$ millions, as at or for the years ended October 31	**Termination benefits**	**Other**	**Total**	Termination benefits	Other	Total
Balance at beginning of year	**$ 86**	**$ 9**	**$ 95**	$ 346	$ 19	$ 365
Restructuring charge	**181**	**26**	**207**	-	-	-
Change in estimate	**-**	**-**	**-**	(31)	-	(31)
Cash payments	**(81)**	**(5)**	**(86)**	(229)	(10)	(239)
Non-cash items	**-**	**(4)**	**(4)**	-	-	-
Balance at end of year	**$ 186**	**$ 26**	**$ 212**	$ 86	$ 9	$ 95

28. FUTURE CANADIAN ACCOUNTING POLICY CHANGES

CIBC will be required to adopt the following accounting standards for Canadian GAAP purposes in future years.

In December 2000, the CICA issued a new CICA handbook section 3500, "Earnings per Share." This section aligns Canadian and U.S. standards for calculating diluted earnings per share and is effective for CIBC in fiscal 2002.

Under the new section, basic and diluted EPS figures for income before discontinued operations and extraordinary items and for net income must be presented with equal prominence on the face of the income statement.

Additionally, the treasury stock method will be used, instead of the current imputed earnings approach, for determining the dilutive effect of warrants and options. Contracts that may be settled in cash or shares will also be presumed to be settled in shares and the related potential common shares, if dilutive, would be included in the computation of diluted earnings per share.

CIBC will implement the new CICA section 3500 retroactively in the first quarter of 2002. Under the new standard, basic EPS would have been $4.19 (2000: $4.95; 1999: $2.23) and diluted EPS would have been $4.13 (2000: $4.90; 1999: $2.21).

In August 2001, the CICA issued new CICA handbook section 1581, "Business Combinations," and section 3062, "Goodwill and Other Intangible Assets." These new standards align Canadian GAAP with the new U.S. GAAP standards, SFAS 141 and SFAS 142.

Under section 1581, which is effective for business combinations initiated after June 30, 2001, the purchase method of accounting must be used for all business combinations and the use of the pooling-of-interests method is prohibited. The standard also provides guidance for distinguishing goodwill from other intangible assets and requires enhanced disclosures for material business combinations. In addition, for business combinations completed before July 1, 2001, where the carrying amount of acquired intangible assets does not meet the criteria for separate recognition, the assets should be reclassified to goodwill while items meeting the definition

of intangibles but originally recorded as goodwill should be reclassified and accounted for as intangible assets upon the initial adoption of section 3062. The impact of adopting this standard is not material for CIBC as it does not expect to reclassify significant amounts from goodwill or intangible assets.

Section 3062 addresses the accounting and disclosure requirements for goodwill and other intangible assets and will be effective for fiscal 2003. CIBC has decided to early adopt the requirements of this standard on November 1, 2001.

Under this standard, goodwill and intangible assets with an indefinite life will no longer be amortized but must be reviewed at least annually for impairment, and written down for impairment losses as deemed necessary. Intangible assets with a finite life will continue to be amortized over their useful lives. Section 3062 also provides specific guidance for testing goodwill and intangible assets with an indefinite life for impairment.

Transitional provisions of CICA section 3062 require that goodwill and intangible assets with an indefinite life acquired in a business combination completed after June 30, 2001 should not be amortized and that previously recognized goodwill and intangible assets with an indefinite life will no longer be amortized after October 31, 2001. Adoption of this standard is expected to result in a $24 million decrease in non-interest expenses in fiscal 2002. In addition, goodwill relating to investments accounted for by the equity method will no longer be amortized after October 31, 2001. Adoption of this standard is expected to result in a $22 million increase in interest income in fiscal 2002.

Over the next 6 to 12 months, CIBC expects to complete impairment testing on the balance of goodwill and intangible assets with an indefinite life as at the adoption date. The potential amount of impairment is not yet determinable.

In November, 2001, the CICA issued Accounting Guideline 13 (AcG 13), "Hedging Relationships," which will be effective for CIBC beginning fiscal 2003.

AcG 13 addresses the identification, designation, documentation and effectiveness of hedging relationships for the purposes of applying hedge accounting. In addition, it deals with the discontinuance of hedge accounting and establishes conditions for applying hedge accounting.

Under the new guideline, CIBC is required to document its hedging relationships and explicitly demonstrate that the hedges are sufficiently effective in order to continue accrual accounting for positions hedged with derivatives. Otherwise, the derivative instrument will need to be marked-to-market through the current year's income statement.

The impact of implementing this guideline on CIBC's consolidated balance sheets and consolidated statements of income is not yet determinable.

In November, 2001, the CICA issued a new CICA handbook section 3870, "Stock-based Compensation," which will be effective for CIBC in fiscal 2003.

Under section 3870, stock-based awards granted to non-employees must be accounted for using the fair-value based method. In addition, SARs and similar awards to be settled in cash, that are granted to employees, may be accounted for using either the intrinsic-value or the fair-value based method.

The new standard also requires that the cost of SARs issued to employees to be settled in cash must be measured, on an ongoing basis, as the amount by which the quoted market price exceeds the option price and must be accounted for as compensation expense over the vesting period of those rights. As the compensation expense is dependent on CIBC's share price at the adoption date, the impact of this standard is not yet determinable.

29. SUBSEQUENT EVENT

On November 21, 2001, CIBC reached a definitive agreement with Merrill Lynch Canada Inc. to acquire its retail brokerage, asset management and Canadian securities services businesses. The retail brokerage and Canadian securities services transaction is subject to regulatory approval, which is expected by December 31, 2001. The asset management transaction, which is also subject to regulatory approval and client notification, is expected to be completed by January 31, 2002. The purchase price is estimated to be in the range of $500-$600 million depending on the number of financial consultants who join CIBC Wood Gundy.

Principal subsidiaries

As at October 31, 2001

Subsidiary Name[1]	Address of head or principal office	Book value[2] of shares owned by CIBC and other subsidiaries of CIBC ($ millions)
Amicus Bank	Toronto, Canada	10
CIBC Mortgages Inc.	Toronto, Canada	130
CIBC Trust Corporation	Toronto, Canada	571
INTRIA Corporation	Toronto, Canada	107
INTRIA Items Inc. (90%)	Toronto, Canada	
INTRIA-HP Corporation (90%)	Toronto, Canada	
CIBC World Markets Inc.	Toronto, Canada	308
Services Hypothecaires CIBC Inc.	Longueuil, Canada	130
CIBC Securities Inc.	Toronto, Canada	(3)
CIBC Investor Services Inc.	Toronto, Canada	25
CIBC Life Insurance Company Limited	Toronto, Canada	23
CIBC BA Limited	Toronto, Canada	(3)
CIBC Financial Planning Inc.	Toronto, Canada	(3)
EDULINX Canada Corporation (90%)	Toronto, Canada	27
TAL Global Asset Management Inc.	Montreal, Canada	380
Talvest Fund Management Inc.	Montreal, Canada	
TAL Private Management Ltd.	Montreal, Canada	
T.A.L. Asset Management (Cayman) Limited	George Town, Grand Cayman	
TAL Global Asset Management (Cayman) Limited	George Town, Grand Cayman	
TAL CEF Global Asset Management Limited (76%)	Hong Kong, China	
TAL Assets Management (Europe) Ltd	Geneva, Switzerland	
CIBC Delaware Holdings Inc.	New York, U.S.A.	1,982
CIBC World Markets Corp.	New York, U.S.A.	
Canadian Imperial Holdings Inc.	New York, U.S.A.	
CIBC INC. (95%)	New York, U.S.A.	
CIBC Trading (Delaware Corp.)	New York, U.S.A.	
Amicus Holdings Inc.	Falls Church, U.S.A.	
Amicus FSB	Cicero, U.S.A.	
CIBC National Bank	Maitland, U.S.A.	
CIBC Australia Holdings Limited	Sydney, Australia	57
CIBC Asia Limited	Singapore	168
CIBC Holdings (Cayman) Limited	George Town, Grand Cayman	2,932
CIBC Bank and Trust Company (Cayman) Limited (88%)	George Town, Grand Cayman	
CIBC Trust Company (Bahamas) Limited	Nassau, Bahamas	
CIBC Offshore Services Inc.	St. Michael, Barbados	
CIBC Reinsurance Company Limited	Bridgetown, Barbados	
CIBC West Indies Holdings Limited (77%)	St. Michael, Barbados	
CIBC West Indies Offshore Banking Corporation (77%)	St. Michael, Barbados	
CIBC Bahamas Limited (70%)	Nassau, Bahamas	
CIBC Jamaica Limited (63%)	Kingston, Jamaica	
CIBC Building Society (63%)	Kingston, Jamaica	
CIBC Trust and Merchant Bank (Jamaica) Limited (63%)	Kingston, Jamaica	
CIBC Caribbean Limited (77%)	St. Michael, Barbados	
CIBC Trust and Merchant Bank (Barbados) Limited (77%)	St. Michael, Barbados	
CIBC World Markets (International) Arbitrage Corp.	Bridgetown, Barbados	
CIBC Offshore Banking Services Corporation	St. Michael, Barbados	261
CIBC World Markets plc	London, England	1,516
CIBC Offshore Finance (Ireland) Limited	Dublin, Ireland	19
CIBC World Markets Ireland Limited	Dublin, Ireland	
CIBC World Markets Securities Ireland Limited	Dublin, Ireland	

(1) CIBC and other subsidiaries of CIBC own 100% of the voting shares of each subsidiary, except as otherwise noted.
(2) Book value of shares of subsidiaries are shown at cost.
(3) The book value of shares owned by CIBC is less than one million dollars.

Supplementary annual financial information

AVERAGE BALANCE SHEET, NET INTEREST INCOME AND MARGIN

$ millions (TEB), as at or for the years ended October 31	Average balance 2001	Average balance 2000	Average balance 1999	Interest 2001	Interest 2000	Interest 1999	Average rate 2001	Average rate 2000	Average rate 1999
Domestic assets(1)									
Cash resources	**$ 1,695**	$ 1,354	$ 1,802	**$ 26**	$ 16	$ 64	**1.53%**	1.18%	3.55%
Securities Held for investment	**10,275**	8,311	5,141	**744**	710	432	**7.24**	8.54	8.40
Held for trading	**26,911**	23,796	23,377	**1,399**	1,240	1,148	**5.20**	5.21	4.91
Loans Residential mortgages	**53,905**	48,086	43,986	**3,435**	3,140	2,877	**6.37**	6.53	6.54
Personal and credit card loans	**25,093**	22,990	20,883	**2,223**	2,110	1,728	**8.86**	9.18	8.27
Business and government loans	**22,400**	23,170	23,074	**1,853**	2,079	1,976	**8.27**	8.97	8.56
Securities borrowed or purchased under resale agreements	**8,351**	7,604	10,559	**376**	518	687	**4.50**	6.81	6.51
Total loans	**109,749**	101,850	98,502	**7,887**	7,847	7,268	**7.19**	7.70	7.38
Other interest-bearing assets	**604**	450	471	**67**	32	31	**11.09**	7.11	6.58
Derivative instruments market valuation	**6,117**	6,233	11,127						
Customers' liability under acceptances	**8,720**	9,513	10,064						
Other non-interest-bearing assets	**3,943**	3,802	5,093						
Total domestic assets	**168,014**	155,309	155,577	**10,123**	9,845	8,943	**6.03**	6.34	5.75
Foreign assets(1)									
Cash resources	**9,854**	11,115	9,582	**400**	547	433	**4.06**	4.92	4.52
Securities Held for investment	**9,158**	7,517	6,948	**578**	479	357	**6.31**	6.37	5.14
Held for trading	**29,902**	24,665	26,655	**953**	999	884	**3.19**	4.05	3.32
Loans Residential mortgages	**744**	606	538	**68**	60	54	**9.14**	9.90	10.04
Personal and credit card loans	**2,756**	3,102	2,957	**198**	361	318	**7.18**	11.64	10.75
Business and government loans	**23,197**	23,551	24,462	**1,557**	1,776	1,682	**6.71**	7.54	6.88
Securities borrowed or purchased under resale agreements	**14,414**	15,464	23,516	**994**	1,332	1,848	**6.90**	8.61	7.86
Total loans	**41,111**	42,723	51,473	**2,817**	3,529	3,902	**6.85**	8.26	7.58
Other interest-bearing assets	**447**	645	1,041	**47**	59	15	**10.51**	9.15	1.44
Derivative instruments market valuation	**15,680**	17,238	18,786						
Customers' liability under acceptances	**61**	179	107						
Other non-interest-bearing assets	**4,571**	3,728	1,675						
Total foreign assets	**110,784**	107,810	116,267	**4,795**	5,613	5,591	**4.33**	5.21	4.81
Total assets	**$ 278,798**	$ 263,119	$ 271,844	**$ 14,918**	$ 15,458	$ 14,534	**5.35%**	5.87%	5.35%
Domestic liabilities(1)									
Deposits Individuals	**$ 59,360**	$ 56,278	$ 54,777	**$ 2,061**	$ 2,024	$ 1,835	**3.47%**	3.60%	3.35%
Businesses and governments	**53,385**	45,999	39,718	**2,191**	2,158	1,481	**4.10**	4.69	3.73
Banks	**675**	355	313	**32**	18	13	**4.74**	5.07	4.15
Total deposits	**113,420**	102,632	94,808	**4,284**	4,200	3,329	**3.78**	4.09	3.51
Derivative instruments market valuation	**6,350**	6,507	6,583						
Acceptances	**8,720**	9,513	10,064						
Obligations related to securities sold short	**6,960**	8,507	9,228	**326**	349	424	**4.68**	4.10	4.59
Obligations related to securities lent or sold under repurchase agreements	**10,780**	5,219	8,264	**524**	473	665	**4.86**	9.06	8.05
Other liabilities	**5,510**	6,385	8,460	**2**	78	20	**0.04**	1.22	0.24
Subordinated indebtedness	**2,792**	2,946	2,789	**215**	230	221	**7.70**	7.81	7.92
Total domestic liabilities	**154,532**	141,709	140,196	**5,351**	5,330	4,659	**3.46**	3.76	3.32
Foreign liabilities(1)									
Deposits Individuals	**4,915**	5,295	5,121	**199**	240	229	**4.05**	4.53	4.47
Businesses and governments	**54,802**	50,314	43,863	**2,773**	3,040	2,448	**5.06**	6.04	5.58
Banks	**14,293**	14,204	18,689	**633**	726	802	**4.43**	5.11	4.29
Total deposits	**74,010**	69,813	67,673	**3,605**	4,006	3,479	**4.87**	5.74	5.14
Derivative instruments market valuation	**15,753**	17,689	23,085						
Acceptances	**61**	179	107						
Obligations related to securities sold short	**6,553**	8,763	8,006	**398**	623	187	**6.07**	7.11	2.34
Obligations related to securities lent or sold under repurchase agreements	**10,695**	9,870	18,232	**629**	914	1,571	**5.88**	9.26	8.62
Other liabilities	**3,731**	2,005	1,544	**157**	85	16	**4.21**	4.24	1.04
Subordinated indebtedness	**1,536**	1,497	1,706	**85**	87	85	**5.53**	5.81	4.98
Total foreign liabilities	**112,339**	109,816	120,353	**4,874**	5,715	5,338	**4.34**	5.20	4.44
Total liabilities	**266,871**	251,525	260,549	**10,225**	11,045	9,997	**3.83**	4.39	3.84
Shareholders' equity	**11,927**	11,594	11,295						
Liabilities and shareholders' equity	**$ 278,798**	$ 263,119	$ 271,844	**$ 10,225**	$ 11,045	$ 9,997	**3.67%**	4.20%	3.68%
Net interest income and margin				**$ 4,693**	$ 4,413	$ 4,537	**1.68%**	1.68%	1.67%
Additional disclosures:									
Non-interest-bearing demand deposits									
Domestic	**$ 6,821**	$ 6,167	$ 5,855						
Foreign	**$ 937**	$ 1,000	$ 1,056						

(1) Classification as domestic or foreign is based on domicile of debtor or customer.

VOLUME/RATE ANALYSIS OF CHANGES IN NET INTEREST INCOME

$ millions (TEB)		2001/2000 Increase (decrease) due to change in: Average balance	Average rate	Total	2000/1999 Increase (decrease) due to change in: Average balance	Average rate	Total
Domestic assets(1)							
Cash resources		$ 4	$ 6	$ 10	$ (16)	$ (32)	$ (48)
Securities	Held for investment	168	(134)	34	266	12	278
	Held for trading	162	(3)	159	21	71	92
Loans	Residential mortgages	380	(85)	295	268	(5)	263
	Personal and credit card loans	193	(80)	113	174	208	382
	Business and government loans	(69)	(157)	(226)	8	95	103
	Securities borrowed or purchased under resale agreements	51	(193)	(142)	(192)	23	(169)
Total loans		555	(515)	40	258	321	579
Other interest-bearing assets		11	24	35	(1)	2	1
Change in domestic interest income		900	(622)	278	528	374	902
Foreign assets(1)							
Cash resources		(62)	(85)	(147)	69	45	114
Securities	Held for investment	105	(6)	99	29	93	122
	Held for trading	212	(258)	(46)	(66)	181	115
Loans	Residential mortgages	14	(6)	8	7	(1)	6
	Personal and credit card loans	(40)	(123)	(163)	16	27	43
	Business and government loans	(27)	(192)	(219)	(63)	157	94
	Securities borrowed or purchased under resale agreements	(90)	(248)	(338)	(633)	117	(516)
Total loans		(143)	(569)	(712)	(673)	300	(373)
Other interest-bearing assets		(18)	6	(12)	(6)	50	44
Change in foreign interest income		94	(912)	(818)	(647)	669	22
Total change in interest income		$ 994	$ (1,534)	$ (540)	$ (119)	$ 1,043	$ 924
Domestic liabilities(1)							
Deposits	Individuals	$ 111	$ (74)	$ 37	$ 50	$ 139	$ 189
	Businesses and governments	347	(314)	33	234	443	677
	Banks	16	(2)	14	2	3	5
Total deposits		474	(390)	84	286	585	871
Obligations related to securities sold short		(63)	40	(23)	(33)	(42)	(75)
Obligations related to securities lent or sold under repurchase agreements		504	(453)	51	(245)	53	(192)
Other liabilities		(11)	(65)	(76)	(5)	63	58
Subordinated indebtedness		(12)	(3)	(15)	12	(3)	9
Change in domestic interest expense		892	(871)	21	15	656	671
Foreign liabilities(1)							
Deposits	Individuals	(17)	(24)	(41)	8	3	11
	Businesses and governments	271	(538)	(267)	360	232	592
	Banks	5	(98)	(93)	(192)	116	(76)
Total deposits		259	(660)	(401)	176	351	527
Obligations related to securities sold short		(157)	(68)	(225)	18	418	436
Obligations related to securities lent or sold under repurchase agreements		76	(361)	(285)	(721)	64	(657)
Other liabilities		78	(6)	72	5	64	69
Subordinated indebtedness		2	(4)	(2)	(10)	12	2
Change in foreign interest expense		258	(1,099)	(841)	(532)	909	377
Total change in interest expense		$ 1,150	$ (1,970)	$ (820)	$ (517)	$ 1,565	$ 1,048
Change in total net interest income		$ (156)	$ 436	$ 280	$ 398	$ (522)	$ (124)

(1) Classification as domestic or foreign is based on domicile of debtor or customer.

ANALYSIS OF NET LOANS AND ACCEPTANCES[1]

	Canada[2]					U.S.[2]				
$ millions, as at October 31	**2001**	2000	1999	1998	1997	**2001**	2000	1999	1998	1997
Residential mortgages	**$ 57,777**	$ 51,203	$ 46,043	$ 42,646	$ 39,573	**$ 239**	$ 79	$ 46	$ 49	$ 44
Student loans	**3,568**	4,263	4,380	3,991	3,818	**-**	-	-	-	-
Personal loans	**15,324**	14,569	13,462	14,657	13,000	**1,657**	2,409	1,762	1,907	6
Credit card loans	**6,707**	5,564	4,158	3,043	4,766	**4**	-	-	-	-
Total consumer loans	**83,376**	75,599	68,043	64,337	61,157	**1,900**	2,488	1,808	1,956	50
Non-residential mortgages	**3,085**	2,270	1,775	2,370	2,508	**-**	-	-	-	-
Financial institutions	**2,706**	2,349	2,217	3,059	2,235	**2,851**	2,564	2,873	2,720	1,735
Retail	**2,563**	3,485	3,292	3,597	3,688	**294**	467	444	386	500
Business services	**3,635**	3,906	3,694	3,462	2,947	**1,079**	1,358	1,199	1,650	1,432
Manufacturing, capital goods	**1,876**	1,873	1,982	2,442	2,144	**845**	1,353	1,304	1,306	1,890
Manufacturing, consumer goods	**2,278**	2,319	2,593	2,751	2,694	**533**	367	624	644	909
Real estate and construction	**2,058**	2,311	2,656	2,620	2,938	**1,599**	1,465	1,579	1,614	1,161
Agriculture	**3,807**	3,701	3,458	2,994	2,642	**-**	6	6	33	190
Oil and gas	**3,230**	4,038	3,801	4,345	3,618	**850**	876	735	790	1,886
Mining	**420**	322	633	706	635	**55**	277	100	130	287
Forest products	**598**	897	979	1,307	1,237	**297**	158	240	271	524
Hardware and software	**290**	394	330	357	400	**497**	331	495	233	226
Telecommunications and cable	**942**	844	531	450	491	**1,336**	1,883	1,381	1,265	2,135
Publishing, printing and broadcasting	**1,275**	499	663	926	660	**282**	382	423	430	785
Transportation	**1,246**	1,116	1,282	1,107	1,267	**612**	813	798	842	512
Utilities	**453**	358	242	199	603	**1,157**	868	872	512	904
Education, health and social services	**1,185**	1,212	1,125	1,148	966	**161**	237	339	275	92
Governments	**706**	878	825	665	681	**12**	61	483	70	203
Total business and government loans including acceptances	**32,353**	32,772	32,078	34,505	32,354	**12,460**	13,466	13,895	13,171	15,371
Securities borrowed or purchased under resale agreements	**12,376**	9,153	6,776	12,464	12,250	**10,576**	10,420	10,862	21,225	22,350
General allowance for credit losses										
Total net loans and acceptances	**$ 128,105**	$117,524	$106,897	$111,306	$105,761	**$ 24,936**	$26,374	$26,565	$36,352	$ 37,771

(1) In 2001, industry sectors for business loans were re-defined to be consistent with sectors for monitoring of industry concentration policies. Comparative figures have been restated to conform with the presentation used in the current period.
(2) Classification by country is based on domicile of debtor or customer.

SUMMARY OF ALLOWANCE FOR CREDIT LOSSES

$ millions, as at or for the years ended October 31	**2001**	2000	1999	1998	1997
Balance at beginning of year	**$ 2,238**	$ 1,752	$ 1,626	$ 1,595	$ 1,441
Write-offs					
Domestic					
Residential mortgages	**4**	6	11	14	24
Student loans	**131**	129	102	75	31
Personal and credit card loans	**349**	283	224	249	324
Real estate	**7**	11	29	50	53
Other business and government loans	**83**	203	244	82	115
Foreign					
Residential mortgages	**-**	-	-	-	-
Personal and credit card loans	**7**	16	9	4	2
Real estate	**13**	3	7	3	36
Other business and government loans	**655**	198	128	115	36
Total write-offs	**1,249**	849	754	592	621
Recoveries					
Domestic					
Personal and credit card loans	**48**	41	40	49	58
Student loans	**89**	35	35	30	16
Real estate	**6**	3	27	17	6
Other business and government loans	**19**	13	12	11	10
Foreign					
Personal and credit card loans	**4**	1	-	-	-
Real estate	**1**	18	27	14	57
Other business and government loans	**18**	10	3	11	10
Total recoveries	**185**	121	144	132	157
Net write-offs	**1,064**	728	610	460	464
Provision for credit losses	**1,100**	1,220	750	480	610
Foreign exchange adjustments	**21**	(6)	(14)	11	8
Balance at end of year[1]	**$ 2,295**	$ 2,238	$ 1,752	$ 1,626	$ 1,595
Ratio of net write-offs during year to average loans outstanding during year	**0.71%**	0.50%	0.41%	0.28%	0.32%

(1) Includes allowances in respect of letters of credit

ANALYSIS OF NET LOANS AND ACCEPTANCES(1) (Continued)

$ millions, as at October 31	Other(2) 2001	2000	1999	1998	1997	Total 2001	2000	1999	1998	1997
Residential mortgages	**$ 712**	$ 616	$ 524	$ 477	$ 392	**$ 58,728**	$ 51,898	$ 46,613	$ 43,172	$ 40,009
Student loans	**-**	-	-	-	-	**3,568**	4,263	4,380	3,991	3,818
Personal loans	**589**	589	713	733	493	**17,570**	17,567	15,937	17,297	13,499
Credit card loans	**60**	58	57	51	35	**6,771**	5,622	4,215	3,094	4,801
Total consumer loans	**1,361**	1,263	1,294	1,261	920	**86,637**	79,350	71,145	67,554	62,127
Non-residential mortgages	**170**	174	140	138	78	**3,255**	2,444	1,915	2,508	2,586
Financial institutions	**1,315**	2,954	3,774	4,048	3,371	**6,872**	7,867	8,864	9,827	7,341
Retail	**329**	357	651	507	304	**3,186**	4,309	4,387	4,490	4,492
Business services	**1,273**	866	668	2,500	551	**5,987**	6,130	5,561	7,612	4,930
Manufacturing, capital goods	**291**	348	442	602	414	**3,012**	3,574	3,728	4,350	4,448
Manufacturing, consumer goods	**378**	360	291	506	578	**3,189**	3,046	3,508	3,901	4,181
Real estate and construction	**357**	305	505	563	590	**4,014**	4,081	4,740	4,797	4,689
Agriculture	**39**	36	63	54	78	**3,846**	3,743	3,527	3,081	2,910
Oil and gas	**263**	203	591	425	400	**4,343**	5,117	5,127	5,560	5,904
Mining	**370**	434	353	171	145	**845**	1,033	1,086	1,007	1,067
Forest products	**185**	83	22	35	36	**1,080**	1,138	1,241	1,613	1,797
Hardware and software	**139**	106	156	189	153	**926**	831	981	779	779
Telecommunications and cable	**2,384**	2,143	808	896	651	**4,662**	4,870	2,720	2,611	3,277
Publishing, printing and broadcasting	**222**	183	156	230	168	**1,779**	1,064	1,242	1,586	1,613
Transportation	**830**	601	851	561	471	**2,688**	2,530	2,931	2,510	2,250
Utilities	**753**	665	548	549	599	**2,363**	1,891	1,662	1,260	2,106
Education, health and social services	**26**	28	99	147	184	**1,372**	1,477	1,563	1,570	1,242
Governments	**137**	95	252	458	262	**855**	1,034	1,560	1,193	1,146
Total business and government loans including acceptances	**9,461**	9,941	10,370	12,579	9,033	**54,274**	56,179	56,343	60,255	56,758
Securities borrowed or purchased under resale agreements	**1,127**	888	1,520	2,604	3,029	**24,079**	20,461	19,158	36,293	37,629
General allowance for credit losses						**(1,250)**	(1,250)	(1,000)	(850)	(650)
Total net loans and acceptances	**$ 11,949**	$ 12,092	$ 13,184	$ 16,444	$ 12,982	**$ 163,740**	$ 154,740	$ 145,646	$ 163,252	$ 155,864

(1) In 2001, industry sectors for business loans were re-defined to be consistent with sectors for monitoring of industry concentration policies. Comparative figures have been restated to conform with the presentation used in the current period.
(2) Classification by country is based on domicile of debtor or customer.

ALLOWANCE FOR CREDIT LOSSES AS A PERCENTAGE OF EACH LOAN CATEGORY(1)(2)

$ millions, as at October 31	Allowance for credit losses 2001	2000	1999	1998	1997	Allowance as a % of each loan category 2001	2000	1999	1998	1997
Domestic										
Residential mortgages	**$ 23**	$ 23	$ 24	$ 27	$ 30	**0.04%**	0.04%	0.05%	0.06%	0.08%
Student loans	**320**	363	93	55	46	**8.23**	7.85	2.08	1.36	1.19
Personal and credit card loans	**168**	115	115	118	136	**0.76**	0.57	0.65	0.66	0.76
Real estate	**65**	71	102	163	287	**3.53**	3.67	4.73	7.02	10.79
Other business and government loans	**331**	269	289	234	260	**1.45**	1.22	1.36	1.07	1.30
Total domestic	**907**	841	623	597	759	**0.84**	0.84	0.68	0.67	0.90
Foreign										
Residential mortgages	**-**	-	-	-	-	**-**	-	-	-	-
Personal and credit card loans	**14**	9	11	8	5	**0.60**	0.29	0.43	0.30	0.93
Real estate	**13**	22	29	22	27	**0.66**	1.23	1.37	1.00	1.52
Other business and government loans	**110**	114	85	132	150	**0.55**	0.52	0.38	0.57	0.66
Total foreign	**137**	145	125	162	182	**0.54**	0.53	0.46	0.56	0.72
General allowance for credit losses	**1,250**	1,250	1,000	850	650	**-**	-	-	-	-
Total allowance	**$ 2,294**	$ 2,236	$ 1,748	$ 1,609	$ 1,591	**1.71%**	1.75%	1.47%	1.37%	1.45%

(1) Certain comparative figures have been restated to conform with the presentation used in the current period.
(2) Percentage is calculated on loan portfolio excluding acceptances and securities borrowed or purchased under resale agreements.

IMPAIRED LOANS BEFORE GENERAL ALLOWANCES[1]

	Canada[2]					U.S.[2]				
$ millions, as at October 31	**2001**	2000	1999	1998	1997	**2001**	2000	1999	1998	1997
Gross impaired loans										
Residential mortgages	**$ 182**	$ 148	$ 138	$ 135	$ 134	**$ -**	$ -	$ -	$ -	$ -
Student loans	**177**	167	136	113	78	**-**	-	-	-	-
Personal loans	**101**	99	143	158	188	**1**	1	2	2	1
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total gross impaired consumer loans	**460**	414	417	406	400	**1**	1	2	2	1
Non-residential mortgages	**28**	40	43	64	78	**-**	-	-	-	-
Financial institutions	**9**	12	19	9	18	**50**	107	-	-	-
Service and retail industries	**197**	152	164	122	152	**15**	102	28	59	90
Manufacturing, consumer and capital	**128**	112	217	69	79	**37**	41	40	5	4
Real estate and construction	**84**	110	140	259	422	**-**	-	-	40	71
Agriculture	**42**	28	18	22	24	**-**	-	-	-	-
Resource-based industries	**23**	31	44	10	12	**12**	15	1	2	1
Telecommunications, media and technology	**62**	11	20	42	20	**77**	13	-	-	35
Transportation	**236**	229	6	11	22	**33**	33	11	29	-
Utilities	**9**	15	77	75	2	**-**	-	-	-	3
Other	**9**	9	7	15	13	**2**	10	-	-	-
Total gross impaired business and government loans	**827**	749	755	698	842	**226**	321	80	135	204
Total gross impaired loans	**1,287**	1,163	1,172	1,104	1,242	**227**	322	82	137	205
Other past due loans[3]	**67**	58	44	26	38	**-**	1	6	23	-
Total gross impaired and other past due loans	**$ 1,354**	$ 1,221	$ 1,216	$ 1,130	$ 1,280	**$ 227**	$ 323	$ 88	$ 160	$ 205
Allowance for credit losses										
Residential mortgages	**$ 23**	$ 23	$ 24	$ 27	$ 30	**$ -**	$ -	$ -	$ -	$ -
Student loans	**320**	363	93	55	46	**-**	-	-	-	-
Personal loans	**168**	115	115	118	136	**-**	-	-	-	-
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total allowance – consumer loans[4]	**511**	501	232	200	212	**-**	-	-	-	-
Non-residential mortgages	**16**	23	25	41	57	**-**	-	-	-	-
Financial institutions	**8**	12	11	7	13	**29**	25	-	-	-
Service and retail industries	**93**	63	78	70	83	**3**	20	8	17	56
Manufacturing, consumer and capital	**72**	60	98	34	45	**7**	10	1	-	4
Real estate and construction	**65**	71	102	163	287	**-**	-	-	9	15
Agriculture	**9**	6	5	5	8	**-**	-	-	-	-
Resource-based industries	**17**	18	13	8	9	**7**	-	-	-	-
Telecommunications, media and technology	**33**	5	15	27	14	**29**	-	-	-	7
Transportation	**74**	74	5	8	22	**1**	1	-	1	-
Utilities	**3**	3	35	21	-	**-**	-	-	-	-
Other	**6**	5	4	13	9	**-**	-	-	-	-
Total allowance – business and government loans	**396**	340	391	397	547	**76**	56	9	27	82
Total allowance	**$ 907**	$ 841	$ 623	$ 597	$ 759	**$ 76**	$ 56	$ 9	$ 27	$ 82
Net impaired loans										
Residential mortgages	**$ 159**	$ 125	$ 114	$ 108	$ 104	**$ -**	$ -	$ -	$ -	$ -
Student loans	**(143)**	(196)	43	58	32	**-**	-	-	-	-
Personal loans	**(67)**	(16)	28	40	52	**1**	1	2	2	1
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total net impaired consumer loans[4]	**(51)**	(87)	185	206	188	**1**	1	2	2	1
Non-residential mortgages	**12**	17	18	23	21	**-**	-	-	-	-
Financial institutions	**1**	-	8	2	5	**21**	82	-	-	-
Service and retail industries	**104**	89	86	52	69	**12**	82	20	42	34
Manufacturing, consumer and capital	**56**	52	119	35	34	**30**	31	39	5	-
Real estate and construction	**19**	39	38	96	135	**-**	-	-	31	56
Agriculture	**33**	22	13	17	16	**-**	-	-	-	-
Resource-based industries	**6**	13	31	2	3	**5**	15	1	2	1
Telecommunications, media and technology	**29**	6	5	15	6	**48**	13	-	-	28
Transportation	**162**	155	1	3	-	**32**	32	11	28	-
Utilities	**6**	12	42	54	2	**-**	-	-	-	3
Other	**3**	4	3	2	4	**2**	10	-	-	-
Total net impaired business and government loans	**431**	409	364	301	295	**150**	265	71	108	122
Total net impaired loans	**$ 380**	$ 322	$ 549	$ 507	$ 483	**$ 151**	$ 266	$ 73	$ 110	$ 123

(1) In 2001, industry sectors for business loans were re-defined to be consistent with sectors for monitoring of industry concentration policies. Comparative figures have been restated to conform with the presentation used in the current period.
(2) Classification by country is based on domicile of debtor or customer.
(3) Other past due loans, which have not been classified as impaired, are described in Note 4 to the consolidated financial statements.
(4) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or interest is contractually 90 days in arrears.

IMPAIRED LOANS BEFORE GENERAL ALLOWANCES(1) (Continued)

	Other(2)					Total				
$ millions, as at October 31	**2001**	2000	1999	1998	1997	**2001**	2000	1999	1998	1997
Gross impaired loans										
Residential mortgages	**$ -**	$ -	$ -	$ -	$ -	**$ 182**	$ 148	$ 138	$ 135	$ 134
Student loans	**-**	-	-	-	-	**177**	167	136	113	78
Personal loans	**44**	42	44	28	15	**146**	142	189	188	204
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total gross impaired consumer loans	**44**	42	44	28	15	**505**	457	463	436	416
Non-residential mortgages	**-**	-	-	-	-	**28**	40	43	64	78
Financial institutions	**9**	25	48	6	8	**68**	144	67	15	26
Service and retail industries	**33**	11	15	15	17	**245**	265	207	196	259
Manufacturing, consumer and capital	**4**	10	5	6	5	**169**	163	262	80	88
Real estate and construction	**23**	31	41	28	17	**107**	141	181	327	510
Agriculture	**6**	6	6	6	-	**48**	34	24	28	24
Resource-based industries	**-**	-	-	-	1	**35**	46	45	12	14
Telecommunications, media and technology	**56**	8	20	54	6	**195**	32	40	96	61
Transportation	**1**	25	34	77	98	**270**	287	51	117	120
Utilities	**12**	16	11	19	-	**21**	31	88	94	5
Other	**-**	2	4	6	5	**11**	21	11	21	18
Total gross impaired business and government loans	**144**	134	184	217	157	**1,197**	1,204	1,019	1,050	1,203
Total gross impaired loans	**188**	176	228	245	172	**1,702**	1,661	1,482	1,486	1,619
Other past due loans(3)	**1**	2	18	28	24	**68**	61	68	77	62
Total gross impaired and other past due loans	**$ 189**	$ 178	$ 246	$ 273	$ 196	**$ 1,770**	$ 1,722	$ 1,550	$ 1,563	$ 1,681
Allowance for credit losses										
Residential mortgages	**$ -**	$ -	$ -	$ -	$ -	**$ 23**	$ 23	$ 24	$ 27	$ 30
Student loans	**-**	-	-	-	-	**320**	363	93	55	46
Personal loans	**14**	9	11	8	5	**182**	124	126	126	141
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total allowance – consumer loans(4)	**14**	9	11	8	5	**525**	510	243	208	217
Non-residential mortgages	**-**	-	-	-	-	**16**	23	25	41	57
Financial institutions	**4**	13	27	3	7	**41**	50	38	10	20
Service and retail industries	**5**	2	5	7	6	**101**	85	91	94	145
Manufacturing, consumer and capital	**2**	5	3	3	1	**81**	75	102	37	50
Real estate and construction	**13**	22	29	13	12	**78**	93	131	185	314
Agriculture	**4**	4	4	4	-	**13**	10	9	9	8
Resource-based industries	**-**	-	-	-	1	**24**	18	13	8	10
Telecommunications, media and technology	**7**	8	18	40	5	**69**	13	33	67	26
Transportation	**-**	10	6	40	60	**75**	85	11	49	82
Utilities	**12**	16	11	15	-	**15**	19	46	36	-
Other	**-**	-	2	2	3	**6**	5	6	15	12
Total allowance – business and government loans	**47**	80	105	127	95	**519**	476	505	551	724
Total allowance	**$ 61**	$ 89	$ 116	$ 135	$ 100	**$ 1,044**	$ 986	$ 748	$ 759	$ 941
Net impaired loans										
Residential mortgages	**$ -**	$ -	$ -	$ -	$ -	**$ 159**	$ 125	$ 114	$ 108	$ 104
Student loans	**-**	-	-	-	-	**(143)**	(196)	43	58	32
Personal loans	**30**	33	33	20	10	**(36)**	18	63	62	63
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total net impaired consumer loans(4)	**30**	33	33	20	10	**(20)**	(53)	220	228	199
Non-residential mortgages	**-**	-	-	-	-	**12**	17	18	23	21
Financial institutions	**5**	12	21	3	1	**27**	94	29	5	6
Service and retail industries	**28**	9	10	8	11	**144**	180	116	102	114
Manufacturing, consumer and capital	**2**	5	2	3	4	**88**	88	160	43	38
Real estate and construction	**10**	9	12	15	5	**29**	48	50	142	196
Agriculture	**2**	2	2	2	-	**35**	24	15	19	16
Resource-based industries	**-**	-	-	-	-	**11**	28	32	4	4
Telecommunications, media and technology	**49**	-	2	14	1	**126**	19	7	29	35
Transportation	**1**	15	28	37	38	**195**	202	40	68	38
Utilities	**-**	-	-	4	-	**6**	12	42	58	5
Other	**-**	2	2	4	2	**5**	16	5	6	6
Total net impaired business and government loans	**97**	54	79	90	62	**678**	728	514	499	479
Total net impaired loans	**$ 127**	$ 87	$ 112	$ 110	$ 72	**$ 658**	$ 675	$ 734	$ 727	$ 678

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(3) Other past due loans, which have not been classified as impaired, are described in Note 4 to the consolidated financial statements.
(4) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or interest is contractually 90 days in arrears.

DEPOSITS

	Average Balance			Interest			Rate		
$ millions, as at October 31	**2001**	2000	1999	**2001**	2000	1999	**2001**	2000	1999
Deposits in domestic bank offices									
Payable on demand									
Individuals	**$ 4,040**	$ 3,249	$ 2,732	**$ 126**	$ 116	$ 85	**3.12%**	3.57%	3.11%
Businesses and governments	**13,193**	11,602	10,296	**297**	311	200	**2.25**	2.68	1.94
Banks	**378**	301	48	**8**	6	1	**2.12**	1.99	2.08
Payable after notice									
Individuals	**18,317**	16,869	16,267	**146**	131	87	**0.80**	0.78	0.53
Businesses and governments	**5,640**	5,539	5,445	**219**	241	207	**3.88**	4.35	3.80
Banks	**1**	1	-	**-**	-	-	**-**	-	-
Payable on a fixed date									
Individuals	**38,401**	37,910	36,399	**1,847**	1,857	1,701	**4.81**	4.90	4.67
Businesses and governments	**33,269**	30,276	27,077	**1,603**	1,673	1,427	**4.82**	5.53	5.27
Banks	**926**	920	268	**45**	54	12	**4.86**	5.87	4.48
Total domestic	**114,165**	106,667	98,532	**4,291**	4,389	3,720	**3.76**	4.11	3.78
Deposits in foreign bank offices									
Payable on demand									
Individuals	**622**	770	769	**7**	5	4	**1.13**	0.65	0.52
Businesses and governments	**1,061**	1,235	1,188	**15**	28	11	**1.41**	2.27	0.93
Banks	**138**	363	498	**5**	8	11	**3.62**	2.20	2.21
Payable after notice									
Individuals	**643**	537	757	**28**	26	27	**4.35**	4.84	3.57
Businesses and governments	**160**	179	315	**3**	3	11	**1.88**	1.68	3.49
Banks	**-**	-	112	**-**	-	1	**-**	-	0.89
Payable on a fixed date									
Individuals	**2,252**	2,238	2,974	**106**	129	153	**4.71**	5.76	5.14
Businesses and governments	**54,864**	47,482	39,260	**2,827**	2,942	2,080	**5.15**	6.20	5.30
Banks	**13,525**	12,974	18,076	**607**	676	790	**4.49**	5.21	4.37
Total foreign deposits	**73,265**	65,778	63,949	**3,598**	3,817	3,088	**4.91**	5.80	4.83
Total deposits	**$ 187,430**	$172,445	$162,481	**$ 7,889**	$ 8,206	$ 6,808	**4.21%**	4.76%	4.19%

SHORT-TERM BORROWINGS

$ millions, as at or for the years ended October 31	**2001**	2000	1999
Amounts outstanding at end of year			
Obligations related to securities sold short	**$ 11,213**	$ 13,992	$ 15,563
Obligations related to securities lent or sold under repurchase agreements	**21,403**	14,199	13,640
Total short-term borrowings	**$ 32,616**	$ 28,191	$ 29,203
Obligations related to securities sold short			
Average balance	**$ 13,513**	$ 17,270	$ 17,234
Maximum month-end balance	**$ 16,082**	$ 18,309	$ 19,423
Average interest rate	**5.36%**	5.63%	3.54%
Obligations related to securities lent or sold under repurchase agreements			
Average balance	**$ 21,475**	$ 15,089	$ 26,496
Maximum month-end balance	**$ 27,660**	$ 17,830	$ 33,006
Average interest rate	**5.37%**	9.19%	8.44%

Quarterly review

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	2001				2000			
Unaudited, $ millions, for the quarter	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest income (TEB)[1]	**$ 1,371**	**$ 1,206**	**$ 1,083**	**$ 1,033**	$ 1,048	$ 1,089	$ 1,110	$ 1,166
Deduct taxable equivalent adjustment	**58**	**30**	**18**	**38**	25	32	31	43
Net interest income (consolidated statement of income basis)	**1,313**	**1,176**	**1,065**	**995**	1,023	1,057	1,079	1,123
Non-interest income	**1,328**	**1,694**	**1,672**	**1,919**	1,970	1,965	2,249	1,613
Total revenue	**2,641**	**2,870**	**2,737**	**2,914**	2,993	3,022	3,328	2,736
Provision for credit losses	**403**	**254**	**253**	**190**	567	218	292	143
Non-interest expenses	**2,283**	**2,072**	**1,886**	**1,985**	2,031	1,996	2,096	1,973
Net income (loss) before taxes	**(45)**	**544**	**598**	**739**	395	808	940	620
Income taxes	**(307)**	**76**	**119**	**204**	31	198	251	161
Non-controlling interests in net income of subsidiaries	**20**	**8**	**10**	**20**	32	9	13	8
Net income	**$ 242**	**$ 460**	**$ 469**	**$ 515**	$ 332	$ 601	$ 676	$ 451
Dividends on preferred shares	**$ 31**	**$ 32**	**$ 32**	**$ 26**	$ 34	$ 33	$ 33	$ 28
Net income applicable to common shares	**$ 211**	**$ 428**	**$ 437**	**$ 489**	$ 298	$ 568	$ 643	$ 423

CONDENSED CONSOLIDATED BALANCE SHEETS

	2001				2000			
Unaudited, $ millions, as at quarter end	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Assets								
Cash resources	**$ 11,350**	**$ 11,422**	**$ 12,437**	**$ 10,781**	$ 10,679	$ 13,743	$ 18,042	$ 11,255
Securities	**74,794**	**78,032**	**80,518**	**76,940**	69,242	65,197	62,697	60,600
Loans — Residential mortgages	**58,728**	**56,354**	**54,424**	**52,962**	51,898	50,222	48,382	47,387
Personal and credit card loans	**27,909**	**28,157**	**27,804**	**27,587**	27,452	26,936	26,509	25,528
Business and government loans	**46,174**	**46,411**	**46,040**	**47,552**	47,091	47,692	48,775	47,827
Securities borrowed or purchased under resale agreements	**24,079**	**21,966**	**23,215**	**20,772**	20,461	21,331	22,464	23,356
General allowance for credit losses	**(1,250)**	**(1,250)**	**(1,250)**	**(1,250)**	(1,250)	(1,150)	(1,150)	(1,000)
Derivative instruments market valuation	**25,723**	**19,014**	**19,463**	**20,015**	23,847	24,040	23,427	23,341
Customers' liability under acceptances	**8,100**	**8,050**	**8,805**	**9,072**	9,088	9,069	9,704	9,102
Other assets	**11,867**	**9,808**	**9,992**	**9,754**	9,194	8,700	8,585	9,664
	$ 287,474	**$ 277,964**	**$ 281,448**	**$ 274,185**	$ 267,702	$ 265,780	$ 267,435	$ 257,060
Liabilities and shareholders' equity								
Deposits — Individual	**$ 66,826**	**$ 65,181**	**$ 65,941**	**$ 63,859**	$ 63,109	$ 62,211	$ 62,883	$ 61,380
Businesses and governments	**114,270**	**105,239**	**108,701**	**106,647**	103,141	103,142	99,561	89,685
Banks	**13,256**	**14,317**	**13,089**	**18,251**	13,382	11,441	14,522	16,369
Derivative instruments market valuation	**26,395**	**19,732**	**20,635**	**20,545**	24,374	23,802	24,842	24,616
Acceptances	**8,100**	**8,050**	**8,805**	**9,072**	9,088	9,069	9,704	9,102
Obligations related to securities lent or sold short or under repurchase agreements	**32,616**	**39,841**	**38,721**	**30,367**	28,191	29,807	30,509	30,130
Other liabilities	**10,112**	**9,172**	**9,086**	**9,132**	10,630	9,906	9,433	9,919
Subordinated indebtedness	**3,999**	**4,338**	**4,412**	**4,381**	4,418	4,433	4,427	4,392
Shareholders' equity	**11,900**	**12,094**	**12,058**	**11,931**	11,369	11,969	11,554	11,467
	$ 287,474	**$ 277,964**	**$ 281,448**	**$ 274,185**	$ 267,702	$ 265,780	$ 267,435	$ 257,060

SELECT FINANCIAL MEASURES

	2001				2000			
Unaudited, as at or for the quarter	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Return on common equity[2]	**8.5%**	**17.4%**	**18.4%**	**20.1%**	12.1%	23.8%	28.5%	18.2%
Return on average assets	**0.34%**	**0.65%**	**0.69%**	**0.75%**	0.49%	0.90%	1.05%	0.70%
Average common shareholders' equity ($ millions)	**$ 9,765**	**$ 9,768**	**$ 9,767**	**$ 9,658**	$ 9,764	$ 9,500	$ 9,160	$ 9,251
Average assets ($ millions)	**$ 281,333**	**$ 280,801**	**$ 280,707**	**$ 272,350**	$ 267,439	$ 265,373	$ 261,668	$ 257,996
Average assets to average common equity	**28.8**	**28.7**	**28.7**	**28.2**	27.4	27.9	28.6	27.9
Tier 1 capital ratio	**9.0%**	**9.3%**	**9.1%**	**9.1%**	8.7%	8.9%	8.5%	8.6%
Total capital ratio	**12.0%**	**12.5%**	**12.4%**	**12.5%**	12.1%	12.0%	11.6%	11.7%
Net interest margin (TEB)	**1.93%**	**1.70%**	**1.58%**	**1.50%**	1.56%	1.63%	1.73%	1.80%
Efficiency ratio[3]	**84.6%**	**71.4%**	**68.5%**	**67.2%**	67.3%	65.4%	62.4%	71.0%

COMMON SHARE INFORMATION

	2001				2000			
Unaudited, as at or for the quarter	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Average shares outstanding (thousands)	**365,955**	**371,042**	**375,271**	**377,048**	380,864	384,534	389,405	401,012
$ per share - basic earnings	**$ 0.59**	**$ 1.15**	**$ 1.16**	**$ 1.30**	$ 0.80	$ 1.47	$ 1.64	$ 1.06
- fully diluted earnings	**$ 0.56**	**$ 1.12**	**$ 1.13**	**$ 1.26**	$ 0.78	$ 1.43	$ 1.60	$ 1.03
- dividends	**$ 0.37**	**$ 0.37**	**$ 0.37**	**$ 0.33**	$ 0.33	$ 0.33	$ 0.33	$ 0.30
- book value[4]	**$ 26.44**	**$ 26.64**	**$ 26.19**	**$ 25.70**	$ 25.17	$ 25.21	$ 24.11	$ 23.24
Share price[5] - high	**$ 57.00**	**$ 54.70**	**$ 51.30**	**$ 52.57**	$ 50.50	$ 44.15	$ 44.00	$ 38.75
- low	**$ 47.20**	**$ 48.60**	**$ 49.70**	**$ 43.20**	$ 42.35	$ 37.00	$ 35.00	$ 30.50
- close	**$ 48.82**	**$ 50.95**	**$ 49.85**	**$ 52.57**	$ 48.40	$ 42.40	$ 38.80	$ 37.80
Price to earnings multiple[6] (12 month trailing)	**11.6**	**11.6**	**10.5**	**10.1**	9.7	10.2	10.9	14.7
Dividend payout ratio	**64.5%**	**32.0%**	**31.6%**	**25.6%**	42.3%	22.4%	19.9%	28.4%

(1) Taxable equivalent basis (TEB). Net interest income includes tax-exempt income on certain securities. Since this income is not taxable to CIBC, the rate of interest or dividend received by CIBC is significantly lower than would apply to a loan of the same amount. As the impact of tax-exempt income varies from year to year, such income has been adjusted to a taxable equivalent basis to permit uniform measurement and comparison of net interest income. An equal and offsetting adjustment is made to increase the provision for income taxes.

(2) Net income applicable to common shares divided by average common shareholders' equity for the period, annualized.

(3) Efficiency ratio may also be referred to as non-interest expenses to revenue ratio. Calculated as non-interest expenses divided by the sum of net interest income (taxable equivalent basis) and non-interest income.

(4) Common shareholders' equity divided by the number of common shares issued and outstanding at end of quarter.

(5) The high and low price during the period, and closing price on the last trading day of the period, on The Toronto Stock Exchange.

(6) Closing common share price expressed as a multiple of net income per common share (12 month trailing).

Ten-year statistical review

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

$ millions, for the years ended October 31	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Net interest income (TEB)[(1)]	**$ 4,693**	$ 4,413	$ 4,537	$ 4,438	$ 4,641	$ 4,567	$ 4,169	$ 4,107	$ 3,835	$ 3,612
Deduct taxable equivalent adjustment	**144**	131	129	101	124	104	95	105	90	80
Net interest income (consolidated statement of income basis)	**4,549**	4,282	4,408	4,337	4,517	4,463	4,074	4,002	3,745	3,532
Non-interest income	**6,613**	7,797	5,728	4,804	3,980	2,892	2,258	2,252	1,903	1,769
Total revenue	**11,162**	12,079	10,136	9,141	8,497	7,355	6,332	6,254	5,648	5,301
Provision for credit losses	**1,100**	1,220	750	480	610	480	680	880	920	1,835
Non-interest expenses	**8,226**	8,096	7,998	7,125	5,372	4,584	3,991	3,907	3,544	3,489
Net income (loss) before taxes	**1,836**	2,763	1,388	1,536	2,515	2,291	1,661	1,467	1,184	(23)
Income taxes (recovery)	**92**	641	320	460	937	911	635	550	435	(55)
Non-controlling interests in net income of subsidiaries	**58**	62	39	20	27	14	11	27	19	20
Net income	**$ 1,686**	$ 2,060	$ 1,029	$ 1,056	$ 1,551	$ 1,366	$ 1,015	$ 890	$ 730	$ 12
Dividends on preferred shares	**$ 121**	$ 128	$ 112	$ 116	$ 98	$ 112	$ 111	$ 141	$ 131	$ 120
Net income (loss) applicable to common shares	**$ 1,565**	$ 1,932	$ 917	$ 940	$ 1,453	$ 1,254	$ 904	$ 749	$ 599	$ (108)

(1) Taxable equivalent basis, as described in footnote (1) in Quarterly Review on page 109.

CONDENSED CONSOLIDATED BALANCE SHEETS

$ millions, as at October 31	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Assets										
Cash resources	**$ 11,350**	$ 10,679	$ 12,527	$ 10,795	$ 7,931	$ 8,120	$ 15,419	$ 9,436	$ 7,880	$ 6,245
Securities	**74,794**	69,242	59,492	60,970	45,252	39,817	38,255	28,753	24,167	20,055
Loans										
Residential mortgages	**58,728**	51,898	46,613	43,172	40,009	36,889	34,659	32,225	30,720	28,927
Personal and credit card loans	**27,909**	27,452	24,532	24,382	22,118	19,980	18,537	16,807	14,650	14,318
Business and government loans	**46,174**	47,091	47,047	49,260	46,383	44,815	43,002	44,572	46,937	49,534
Securities borrowed or purchased under resale agreements	**24,079**	20,461	19,158	36,293	37,629	32,534	14,173	6,584	5,124	2,298
General allowance for credit losses	**(1,250)**	(1,250)	(1,000)	(850)	(650)	(400)	(250)	(250)	(250)	(150)
Customers' liability under acceptances	**8,100**	9,088	9,296	10,995	10,375	8,733	8,315	7,259	7,069	6,045
Derivative instruments market valuation	**25,723**	23,847	24,449	37,157	21,977	13,314	9,207	7,100	7,600	n/a
Land, buildings and equipment	**1,769**	1,508	2,213	2,201	2,071	1,983	2,013	1,995	1,951	1,754
Other assets	**10,098**	7,686	6,004	7,055	4,894	4,447	3,178	2,894	2,268	3,186
	$287,474	$267,702	$250,331	$281,430	$237,989	$210,232	$186,508	$157,375	$148,116	$132,212
Liabilities and shareholders' equity										
Deposits										
Individuals	**$ 66,826**	$ 63,109	$ 60,878	$ 59,993	$ 59,188	$ 61,484	$ 61,061	$ 59,040	$ 57,265	$ 54,233
Businesses and governments	**114,270**	103,141	85,940	84,862	60,272	43,705	45,738	36,213	34,357	36,873
Banks	**13,256**	13,382	13,223	15,020	19,438	22,232	22,683	20,209	19,283	15,912
Acceptances	**8,100**	9,088	9,296	10,995	10,375	8,733	8,315	7,259	7,069	6,045
Obligations related to securities lent or sold short or under repurchase agreements	**32,616**	28,191	29,203	48,659	43,932	41,907	22,211	10,569	7,523	4,361
Derivative instruments market valuation	**26,395**	24,374	25,097	36,245	21,376	12,500	8,135	6,373	6,860	n/a
Other liabilities	**10,112**	10,630	11,092	9,806	8,267	7,041	6,015	5,836	4,802	5,302
Subordinated indebtedness	**3,999**	4,418	4,544	4,714	4,894	3,892	3,671	3,441	3,003	2,848
Shareholders' equity										
Preferred shares	**2,299**	1,876	1,933	1,961	1,518	1,068	1,355	1,691	1,878	1,460
Common shares	**2,827**	2,868	3,035	3,128	3,105	3,055	3,202	3,200	3,016	2,433
Retained earnings	**6,774**	6,625	6,090	6,047	5,624	4,615	4,122	3,544	3,060	2,745
	$287,474	$267,702	$250,331	$281,430	$237,989	$210,232	$186,508	$157,375	$148,116	$132,212

n/a - not available.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

$ million, as at or for the years ended October 31		**2001**	2000	1999	1998	1997	1996	1995	1994	1993	1992
Balance at beginning of year		**$ 11,369**	$ 11,058	$ 11,136	$ 10,247	$ 8,738	$ 8,679	$ 8,435	$ 7,954	$ 6,638	$ 6,703
Adjustment for change in accounting policy		**(140)**(1)	-	-	-	-	(94)(2)	-	-	-	-
Premium on redemption/repurchase of share capital	Preferred	**-**	(17)	-	(10)	-	(34)	-	-	-	-
	Common	**(736)**	(873)	(397)	-	-	(281)	-	-	-	-
Changes in share capital	Preferred	**400**	(80)	-	391	436	(290)	(336)	(187)	418	160
	Common	**(41)**	(167)	(93)	23	50	(147)	2	184	583	136
Net income		**1,686**	2,060	1,029	1,056	1,551	1,366	1,015	890	730	12
Dividends	Preferred	**(121)**	(128)	(112)	(116)	(98)	(112)	(111)	(141)	(131)	(120)
	Common	**(536)**	(501)	(492)	(498)	(434)	(352)	(320)	(281)	(263)	(245)
Other		**19**	17	(13)	43	4	3	(6)	16	(21)	(8)
Balance at end of year		**$ 11,900**	$ 11,369	$ 11,058	$ 11,136	$ 10,247	$ 8,738	$ 8,679	$ 8,435	$ 7,954	$ 6,638

(1) Represents the effect of implementing CICA handbook section 3461, "Employee Future Benefits," which introduced the requirement to accrue the cost of post-retirement and post-employment benefits during the years employees provide services to CIBC.
(2) Represents the effect of implementing CICA handbook section 3025, "Impaired loans," which introduced the requirement to discount expected cash flows on impaired loans when determining the allowance for credit losses.

SELECT FINANCIAL MEASURES

As at or for the years ended October 31	**2001**	2000	1999	1998	1997	1996	1995	1994	1993	1992
Return on common equity(1)	**16.1%**	20.5%	9.8%	10.3%	17.7%	17.1%	12.9%	11.7%	10.6%	(2.0)%
Return on average assets	**0.60%**	0.78%	0.38%	0.38%	0.66%	0.70%	0.61%	0.57%	0.51%	0.01%
Average common shareholders' equity ($ millions)	**$ 9,739**	$ 9,420	$ 9,323	$ 9,100	$ 8,195	$ 7,332	$ 7,003	$ 6,393	$ 5,664	$ 5,318
Average assets ($ millions)	**$ 278,798**	$ 263,119	$ 271,844	$ 278,823	$ 236,025	$ 196,063	$ 165,846	$ 155,640	$ 144,041	$ 126,415
Average assets to average common equity	**28.6**	27.9	29.2	30.6	28.8	26.7	23.7	24.3	25.4	23.8
Tier 1 capital ratio	**9.0%**	8.7%	8.3%	7.7%	7.0%	6.6%	7.0%	7.1%	6.9%	5.9%
Total capital ratio	**12.0%**	12.1%	11.5%	10.8%	9.8%	9.0%	9.6%	9.9%	9.7%	8.7%
Net interest margin (TEB)(2)	**1.68%**	1.68%	1.67%	1.59%	1.97%	2.33%	2.51%	2.64%	2.66%	2.86%
Efficiency ratio(3)	**72.8%**	66.3%	77.9%	77.1%	62.3%	61.5%	62.1%	61.4%	61.8%	64.8%

(1) Net income applicable to common shares divided by average common shareholders' equity for the year.
(2) Taxable equivalent basis, as described in footnote (1) in Quarterly Review on page 109.
(3) Efficiency ratio may also be referred to as non-interest expenses to revenue ratio. Calculated as non-interest expenses divided by the sum of net interest income (taxable equivalent basis) and non-interest income.

COMMON SHARE INFORMATION

As at or for the years ended October 31		**2001**	2000	1999	1998	1997	1996	1995	1994	1993	1992
Average number outstanding (thousands)		**372,305**	388,951	409,789	415,030	413,545	415,028	432,614	425,464	401,366	371,006
$ per share	- basic earnings	**$ 4.20**	$ 4.97	$ 2.23	$ 2.26	$ 3.51	$ 3.02	$ 2.09	$ 1.76	$ 1.50	$ (0.30)
	- fully diluted earnings	**$ 4.07**	$ 4.84	$ 2.22	$ 2.25	$ 3.50	$ 3.02	$ 2.09	$ 1.76	$ 1.50	$ (0.30)
	- dividends	**$ 1.44**	$ 1.29	$ 1.20	$ 1.20	$ 1.05	$ 0.85	$ 0.74	$ 0.66	$ 0.66	$ 0.66
	- book value(1)	**$ 26.44**	$ 25.17	$ 22.68	$ 22.08	$ 21.07	$ 18.62	$ 16.93	$ 15.59	$ 14.45	$ 13.72
Share price(2)	- high	**$ 57.00**	$ 50.50	$ 42.60	$ 59.80	$ 41.75	$ 28.30	$ 18.57	$ 18.13	$ 16.82	$ 18.50
	- low	**$ 43.20**	$ 30.50	$ 28.00	$ 24.40	$ 26.55	$ 18.00	$ 15.57	$ 14.00	$ 11.82	$ 12.57
	- close	**$ 48.82**	$ 48.40	$ 31.70	$ 30.65	$ 41.20	$ 27.85	$ 18.19	$ 16.00	$ 15.82	$ 14.38
Price to earnings multiple(3) (12 month trailing)		**11.6**	9.7	14.2	13.5	11.7	9.2	8.7	9.1	10.6	nm
Dividend payout ratio(4)		**34.2%**	25.9%	53.6%	53.0%	29.9%	28.1%	35.4%	37.5%	43.9%	nm

(1) Common shareholders' equity divided by the number of common shares issued and outstanding at end of year.
(2) The high and low price during the year, and closing price on the last trading day of the year, on The Toronto Stock Exchange.
(3) Closing common share price expressed as a multiple of net income per common share for the year.
(4) Total common share dividends divided by net income applicable to common shares for the year.
nm - not meaningful.

DIVIDENDS ON PREFERRED SHARES

For the years ended October 31		**2001**	2000	1999	1998	1997	1996	1995	1994	1993	1992
Class A	Series 3	-	-	-	-	-	-	-	-	-	$ 2.6530
	Series 4	-	-	-	-	$ 3.4106	$ 4.7360	$ 6.0900	$ 4.5840	$ 4.5840	$ 5.3780
	Series 5	-	-	-	-	$ 0.8240	$ 1.1600	$ 1.4728	$ 1.1057	$ 1.1273	$ 1.3051
	Series 6	-	-	-	-	-	-	-	$ 2.4349	$ 2.2500	$ 2.2500
	Series 7	-	-	-	-	-	-	$ 4,208	$ 3,507	$ 4,034	$ 4,871
	Series 8	-	-	-	-	-	-	$ 0.6706	$ 2.2200	$ 2.2200	$ 2.2200
	Series 9	-	-	-	$ 1.1375	$ 2.2750	$ 2.2750	$ 2.2750	$ 2.2750	$ 2.2750	$ 2.2750
	Series 10	-	-	-	-	-	$ 2.8175	$ 2.5555	$ 2.5786	$ 2.4423	$ 2.2510
	Series 11	-	-	-	-	-	$ 2.4060	$ 2.2125	$ 2.2125	$ 2.2125	$ 2.1867
	Series 12	-	$ 2.4100	$ 2.4267	$ 2.4097	$ 2.2462	$ 2.2188	$ 2.1856	$ 2.2054	$ 1.4983	-
	Series 13	-	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.2490	-
	Series 14	**$ 1.4875**	$ 1.4875	$ 1.4875	$ 1.4875	$ 1.4870	$ 1.1197	-	-	-	-
	Series 15	**$ 1.4125**	$ 1.4125	$ 1.4125	$ 1.4125	$ 1.4110	-	-	-	-	-
	Series 16	**$ 2.1724**	$ 2.0948	$ 2.1093	$ 2.0946	$ 1.1367	-	-	-	-	-
	Series 17	**$ 1.3625**	$ 1.3625	$ 1.3625	$ 1.3625	$ 0.7880	-	-	-	-	-
	Series 18	**$ 1.3750**	$ 1.3750	$ 1.3750	$ 1.3628	-	-	-	-	-	-
	Series 19	**$ 1.2375**	$ 1.2375	$ 1.2375	$ 0.7404	-	-	-	-	-	-
	Series 20	**$ 1.9801**	$ 1.9095	$ 1.9227	$ 1.1703	-	-	-	-	-	-
	Series 21	**$ 1.5000**	$ 1.1372	-	-	-	-	-	-	-	-
	Series 22	**$ 2.4031**	$ 1.7713	-	-	-	-	-	-	-	-
	Series 23	**$ 0.9938**	-	-	-	-	-	-	-	-	-

Directors of the bank

DOUGLAS G. BASSETT ('80)
O.C., O.Ont., LL.D., D. Litt.
Chairman
Windward Investments
(Toronto, Ontario, Canada)

JALYNN H. BENNETT ('94)
C.M.
President
Jalynn H. Bennett and Associates Ltd.
(Toronto, Ontario, Canada)

THE LORD BLACK OF CROSSHARBOUR ('77)
P.C. (Can.), O.C., KCSG
Chairman and Chief Executive Officer
Argus Corporation Limited
(London, England)

PAT M. DELBRIDGE ('93)
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PDA Partners Inc.
(Toronto, Ontario, Canada)

WILLIAM L. DUKE ('91)
Farmer
(Redvers, Saskatchewan, Canada)

IVAN E.H. DUVAR ('89)
B.E., DCL, P.Eng.
President and Chief Executive Officer
MIJAC Inc.
(Amherst, Nova Scotia, Canada)

WILLIAM A. ETHERINGTON ('94)
Company Director
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CIBC
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MARGOT A. FRANSSEN ('92)
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The Body Shop
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Vice-Chairman and Managing Partner
Long Aldridge & Norman
(Atlanta, Georgia, U.S.A.)

HON. JAMES A. GRANT ('91)
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Partner
Stikeman Elliot
(Montreal, Quebec, Canada)

ALBERT E.P. HICKMAN ('89)
Chairman and President
Hickman Motors Limited
(St. John's, Newfoundland, Canada)

JOHN S. HUNKIN ('93)
Chairman and Chief Executive Officer
CIBC
(Toronto, Ontario, Canada)

MARIE-JOSÉE KRAVIS ('87)
O.C., M.Sc. (Econ.), LL.D.
Senior Fellow
Hudson Institute Inc.
(New York, New York, U.S.A.)

W. DARCY McKEOUGH ('78)
O.C., B.A., LL.D.
Chairman
McKeough Supply Inc.
(Chatham, Ontario, Canada)

ARNOLD NAIMARK ('87)
O.C., M.D., LL.D., F.R.C.P.(C), F.R.S. (Can.)
Past President
The University of Manitoba
Director
Centre for the Advancement of Medicine
(Winnipeg, Manitoba, Canada)

MICHAEL E.J. PHELPS ('89)
B.A., LL.B., LL.M., LL.D.
Chairman and Chief Executive Officer
Westcoast Energy Inc.
(Vancouver, British Columbia, Canada)

CHARLES SIROIS ('97)
C.M., B. Fin., M. Fin.
Chairman and Chief Executive Officer
Telesystem Ltd.
(Montreal, Quebec, Canada)

STEPHEN G. SNYDER ('00)
B.Sc., M.B.A.
President and Chief Executive Officer
TransAlta Corporation
(Calgary, Alberta, Canada)

W. GALEN WESTON ('78)
O.C.
Chairman
George Weston Limited
Loblaw Companies Limited
(Toronto, Ontario, Canada)

As at October 31, 2001, the directors and senior officers of CIBC as a group, beneficially owned, directly or indirectly, or exercised control or direction of less than 1% of the outstanding common shares of CIBC. To the knowledge of CIBC, no director or senior officer of CIBC beneficially owned or controlled voting securities of any subsidiaries of CIBC.

Senior officers

EXECUTIVE TEAM

HUNKIN, J.S. (JOHN)
Chairman and Chief Executive Officer

DENHAM, G.H. (JILL)
Senior Executive Vice-President
Retail and Small Business Banking

FOX, W.C. (WAYNE)
Vice-Chairman and Chief Risk Officer
Treasury, Balance Sheet and Risk Management

KASSIE, D.J. (DAVID)
Vice-Chairman
CIBC
Chairman and Chief Executive Officer
CIBC World Markets

LALONDE, R.A. (RON)
Senior Executive Vice-President and Chief Administrative Officer
Administration

MARSHALL, I.D. (DAVID)
Vice-Chairman
Electronic Commerce

McCAUGHEY, G.T. (GERALD)
Senior Executive Vice-President
Wealth Management

VENN, R.E. (RICHARD)
Senior Executive Vice-President
Corporate Development

OFFICERS

ADOLPHE, K.J.E. (KEVIN)
Managing Director and Chief Administrative and Financial Officer
CIBC World Markets

ALLEN, J.R. (JIM)
Executive Vice-President
Customer Marketing
Administration

BAXENDALE, S.A. (SONIA)
Executive Vice-President
Global Private Banking and Investment Management Services
Wealth Management

CAPATIDES, M.G. (MICHAEL)
Executive Vice-President and General Counsel
Legal and Compliance
Administration

CASSIDY, B.M. (BRIAN)
Chief Executive Officer
Amicus
Senior Executive Vice-President
Electronic Commerce

CHORNOBOY, D. (DOUG)
Senior Vice-President and Controller
Administration

CROUCHER, C. (CHRISTINE)
Executive Vice-President
Card Products, Collections, Retail and Small Business Lending
Electronic Commerce

ELLIOTT, M.A. (MARY ANNE)
Executive Vice-President
RSBB Projects
Retail and Small Business Banking

FERGUSON, D.S. (DAN)
Executive Vice-President
Large Corporate
Risk Management Division

FISHER, P.T. (PAUL)
Vice-President and Corporate Secretary
Administration

GETTINGS, W.E. (ED)
Executive Vice-President
CIBC Mortgages Inc. and Insurance
Electronic Commerce

GRAY, C.J. (CAROL)
Executive Vice-President
Small Business Banking
Retail & Small Business Banking

HORROCKS, M.G. (MICHAEL)
Executive Vice-President and Treasurer
Treasury and Balance Sheet Management

HUMBER, K.A. (KATHRYN)
Senior Vice-President
Investor Relations
Administration

KILGOUR, P.K.M. (KEN)
Managing Director
CIBC World Markets

LALONDE, K.W. (KENN)
Executive Vice-President
Branch Banking
Retail and Small Business Banking

LINDSAY, D.R. (DON)
Managing Director
Canadian Investment and Corporate Banking and Head of Asia Pacific Region
CIBC World Markets

LOGUE, A. (ALLEN)
Vice-President
Audit Services
Acting Chief Inspector
Internal Audit and Corporate Security
Administration

MACDONALD, B.E. (BARBARA)
Senior Vice-President and Chief Accountant
Administration

MACLACHLAN, L. W. (LACH)
Senior Vice-President and Ombudsman
Administration

MANSOOR, M.K. (MICHAEL)
Senior Vice-President, West Indies and President & Chief Executive Officer
CIBC West Indies Holdings Limited

McGIRR, S.R. (STEVE)
Managing Director
Global Debt Capital Markets and Foreign Exchange
CIBC World Markets

McNAIR, S.M. (STEVEN)
Executive Vice-President
Imperial Service
Wealth Management

McSHERRY, J.R. (JAMES)
Executive Vice-President and Managing Director
Commercial Banking
CIBC World Markets

MENDELSOHN, J. (JOSH)
Senior Vice-President and Chief Economist
Risk Management Division

O'LEARY, M.J. (MICHAEL)
Executive Vice-President
CIBC World Markets

PHILLIPS, J.M. (JOYCE)
Executive Vice-President
Human Resources
Administration

ROGERS, P.D. (PAUL)
Managing Director
USA Region
CIBC World Markets

SHAW, B.G. (BRIAN)
Managing Director
Institutional Equities and Commodities Products
CIBC World Markets

SCHMID, G. (GERRARD)
Executive Vice-President and Chief Operating Officer
Retail and Small Business Banking

WAITE, R.E. (BOB)
Senior Vice-President
Corporate Communications and Public Affairs
Administration

WOELLER, M.D. (MIKE)
Senior Executive Vice-President and Chief Information Officer
Electronic Commerce

WOODS, T.D. (TOM)
Executive Vice-President and Chief Financial Officer
Administration

Corporate governance

"The board has always required continuous improvement and perfomance against shareholder driven objectives from management. We are now working to apply the same high expectations to our board and its individual members.

In 2001, the board initiated a major project, using professional advice from an experienced consulting firm, to formally assess the board and its members, and to establish this as an ongoing process."

BILL ETHERINGTON, Chairman, Corporate Governance Committee and Lead Director, CIBC Board of Directors

Duties of the Board of Directors

The fundamental statutory duty of the Board of Directors is to supervise the management of the business and affairs of CIBC. The board recognizes the importance of the protection and enhancement of shareholder value, and maintains and regularly evaluates a system of corporate governance to achieve this.

In 2001, the board continued to implement the 19 recommendations that had been made to it in February 2000 by the special task force on board governance led by director Sir Neil Shaw. Most of these recommendations, such as the elimination of the Executive Committee of the Board, were implemented in fiscal year 2000, but a number remained to be done in 2001 or are ongoing. The special governance task force had proposed that the size of the board be in the range of 18 to 21. When this recommendation was made in February 2000, there were 29 directors. Since then, 10 directors have left the board, two new directors have joined the board, one in 2000 and one in 2001, and on February 28, 2002, one director will retire, leaving a complement of 20.

- The Corporate Governance Committee nominates board members for approval by the board and shareholders. Such appointments are made annually and should reflect the committee's evaluation of the individual's role, both to CIBC and in his/her organization. Directors are required to tender their resignations when they change their employment role; the Corporate Governance Committee reviews that director's ability to continue to provide significant contributions to CIBC and makes a recommendation to the board whether or not to accept the resignation.
- The Board of Directors seeks the highest quality of individual as the prime requirement for the board, while considering gender balance and the geographical size of Canada, as well as the increasing importance of CIBC's business interests outside of Canada. The special task force on board governance recommended and the board agreed that it should move to having a preponderance of active chairpersons or CEOs with retailing, technology, finance and heavy industry experience, with the remainder of the board reflecting outstanding contributions to culture, education, the arts, public organizations or the professions. The Corporate Governance Committee and the full board are using this recommendation as a guide in the director evaluation and nominating process.
- The Corporate Governance Committee has taken on as an additional responsibility the establishment of board meeting dates and agendas. The committee establishes the board meeting dates and agendas, and also the key monthly financial metrics and information to be consistently provided to the board by senior management. These new reporting and monitoring procedures were implemented by the board in fiscal 2001.
- The Corporate Governance Committee makes recommendations to the board concerning any proposed changes in the objectives or responsibilities of the board and all of its committees.
- All committees review the information required to perform committee work efficiently and effectively. In certain cases, this will include the retention of independent consultants and advisers. For some years, the Management Resources and Compensation Committee have retained consulting firms from both Canada and the United States, to advise it on management and board compensation issues. In 2001 the board, as recommended by the Corporate Governance Committee, retained a consulting firm to assist it in its project to evaluate and to enhance the performance of the board, committees and individual directors.

"As Chairman and Chief Executive Officer, I continue to work closely with Bill Etherington, the Chairman of the Corporate Governance Committee of the Board and its Lead Director, to ensure the board's independence, effectiveness and the ever-increasing value of its contribution to shareholders and other CIBC constituents."

JOHN HUNKIN, Chairman and Chief Executive Officer

Compliance with good corporate governance rules and guidelines

CIBC's Board of Directors has reviewed CIBC's governance practices and the guidelines for corporate governance, established by The Toronto Stock Exchange (TSE), and has concluded that there is no material difference between them.

The TSE guidelines recommend that a corporation have a majority of "unrelated directors." As a Canadian chartered bank, CIBC is subject to the Bank Act and its regulations. The Bank Act sets out rules as to when a director will be an "affiliated director." The board has reviewed these Bank Act rules and has determined that the test of what constitutes an affiliated director is an appropriate test for the TSE concept of a "related director." On this basis the board has concluded that as at October 31, 2001 there are three directors of the 21-member CIBC Board of Directors who are "related" to CIBC.

- As CEO of CIBC, John Hunkin is a "related director."
- As at October 31, 2001 two directors are "related" by virtue of relationships with the bank, one corporate and one personal.

Board committees

The board believes that its proper governance and effectiveness in carrying out its duties is greatly enhanced by the use of committees. The mandates of each of the four board committees were reviewed by each committee at the beginning of fiscal year 2001. Revisions to these mandates were recommended to the full board, on December 7, 2000, and changes were agreed upon.

The Corporate Governance Committee reviews corporate governance matters pertaining to the shareholders and the Board of Directors. The committee:

- Has the specific and ongoing responsibility to review the state of CIBC's corporate governance as to quality and effectiveness and to recommend enhancements to the Board of Directors.
- Reviews the performance of the Chief Executive Officer (CEO) and succession planning for the CEO.
- Reviews the role and composition of the board and its committees and the methods and processes by which the board fulfills its duties.
- Reviews the performance of the board, its committees and the directors.
- Considers board and committee agendas and the quality of material being presented.
- Establishes criteria for election and re-election as a director.

Members: J.H. Bennett, I.E.H. Duvar, W.A. Etherington (Chair), J.A. Grant, M.E.J. Phelps

The Management Resources and Compensation Committee provides, on behalf of the board, detailed review, oversight and approval of CIBC's policies, practices and procedures relating to human resources to ensure ongoing, long-term development and deployment of high-calibre senior management resources. The committee:

- Reviews compensation to ensure the relationship between senior management performance and compensation is appropriate and set with reference to competitive benchmarks.
- Reviews human resource matters with emphasis on overall strategy and programs relating to the recruitment, development and retention of personnel.
- Reviews overall compensation programs.
- Monitors succession planning for senior management other than the CEO.

Members: J.H. Bennett, M.A. Franssen, M.E.J. Phelps (Chair), C. Sirois, S.G. Snyder

The Audit Committee oversees CIBC's financial reporting procedures to satisfy itself that there are adequate internal controls over accounting and financial reporting systems. The committee:

- Reviews the annual statements prior to approval by the board and other published or regulatory financial statements.
- Reviews and monitors CIBC's compliance with the standards for capital management and internal control established by the Canada Deposit Insurance Corporation.

- Examines the mandate, nature and scope of CIBC's internal and external audit work, including the independence of the external auditors.
- Monitors procedures established by the board to provide disclosure of information to customers.
- Reviews and monitors legislative amendments impacting the financial services sector.
- Meets annually, together with the Risk Management and Conduct Review Committee, with the Superintendent of Financial Institutions Canada; and regularly with CIBC's executive vice-president, legal and compliance, chief accountant, chief inspector and the shareholders' auditors.
- Approves investment policies and oversees the administration of the pension plan to ensure fiduciary obligations are met in accordance with established rules, policies and guidelines.
- Acts as the Audit Committee of certain of CIBC's subsidiaries and in so doing carries out review and approval of their financial reporting and control procedures.

Members: D.G. Bassett, P.M. Delbridge, W.L. Duke, I.E.H. Duvar (Chair), R.D. Fullerton, G.D. Giffin, M.J. Kravis, W.D. McKeough

The Risk Management and Conduct Review Committee ensures policy guidelines and systems exist and are being followed to maintain operational, market, credit, liquidity, legal/compliance and technology risks at an acceptable level. The committee:

- Reviews and approves delegated authorities for credit, market and operational risks.
- Reviews and monitors CIBC's compliance with Canada Deposit Insurance Corporation standards for liquidity management, interest rate risk, credit risk management, foreign exchange risk management, securities portfolio management and real estate appraisals.
- Reviews and approves credits above certain threshold amounts and reviews impaired loans and anticipated loan losses regularly.
- Monitors procedures established by the Board of Directors to identify and resolve conflicts of interest and restrict the use of confidential information as required by the Bank Act.
- Reviews procedures and practices with respect to self-dealing and establishes criteria to measure materiality of such transactions.
- Reviews and recommends to the Board of Directors investment and lending policies, standards and procedures.

Members: D.G. Bassett, A.L. Flood, J.A. Grant (Chair), A.E.P. Hickman, W.D. McKeough, A. Naimark

Information on the number of board and committee meetings held and director attendance is included in the Management Proxy Circular.

All committees are composed entirely of outside directors.

W.A. Etherington, Lead Director, is an ex-officio member of the Management Resources and Compensation Committee, the Audit Committee and the Risk Management and Conduct Review Committee.

Investor information

Dividends

COMMON SHARES

Ex-dividend date	Record date	Payment date	Dividend per share	Number of Common Shares on record date
Sep. 26/01	Sep. 28/01	Oct. 29/01	$0.37	365,243,781
Jun. 26/01	Jun. 28/01	Jul. 27/01	$0.37	370,532,398
Mar. 26/01	Mar. 28/01	Apr. 27/01	$0.37	375,295,538
Dec. 22/00	Dec. 28/00	Jan. 29/01	$0.33	377,259,520

PREFERRED SHARES

Ex-dividend date	Record date	Payment date	Series 14	Series 15	Series 16	Series 17	Series 18	Series 19	Series 20	Series 21	Series 22	Series 23
Sep. 26/01	Sep. 28/01	Oct. 29/01	$0.371875	$0.353125	US$0.353125	$0.340625	$0.343750	$0.309375	US$0.321875	$0.375	US$0.390625	$0.33125
Jun. 26/01	Jun. 28/01	Jul. 27/01	$0.371875	$0.353125	US$0.353125	$0.340625	$0.343750	$0.309375	US$0.321875	$0.375	US$0.390625	$0.33125
Mar. 26/01	Mar. 28/01	Apr. 27/01	$0.371875	$0.353125	US$0.353125	$0.340625	$0.343750	$0.309375	US$0.321875	$0.375	US$0.390625	$0.33125
Dec. 22/00	Dec. 28/00	Jan. 29/01	$0.371875	$0.353125	US$0.353125	$0.340625	$0.343750	$0.309375	US$0.321875	$0.375	US$0.390625	

Normal course issuer bid

CIBC's normal course issuer bid began December 20, 2000 and will be ending December 19, 2001. As at October 31, 2001, CIBC had repurchased for cancellation 16.9 million common shares through The Toronto Stock Exchange for an aggregate consideration of $867 million. The bid is part of CIBC's overall program to maintain an efficient capital structure and enhance long-term value for common shareholders.

Exchange listings

COMMON SHARES	Stock Symbol	Stock Exchange
	CM	Toronto
		London, England
	BCM	New York

PREFERRED SHARES		
Series 14	CM.PR.L	Toronto
Series 15	CM.PR.M	
Series 16	CM.PR.X	
Series 17	CM.PR.N	
Series 18	CM.PR.P	
Series 19	CM.PR.R	
Series 20	CM.PR.Y	
Series 21	CM.PR.T	
Series 22	CM.PR.U	
Series 23	CM.PR.A	

Credit ratings

	Senior debt	Preferred shares
DBRS	AA(low)	Pfd-1(low)
FITCH	AA-	
Moody's	Aa3	
S&P	AA-	

Shareholder investment plan

Registered holders of CIBC common shares may participate in one or more of the following options, and pay no brokerage commissions or service charges:

Dividend Reinvestment Option: Common share dividends may be reinvested in additional CIBC common shares. Residents of the United States and Japan are not eligible.

Share Purchase Option: Up to $50,000 of additional CIBC common shares may be purchased during the fiscal year. Residents of the United States and Japan are not eligible.

Stock Dividend Option: U.S. residents may elect to receive stock dividends on CIBC common shares.

For further information and a copy of the offering circular, contact the Corporate Secretary.

PRICE OF COMMON SHARES PURCHASED UNDER THE SHAREHOLDER INVESTMENT PLAN

Date purchased	Dividend reinvestment & stock dividend options	Share purchase option
Oct. 29/01	$ 48.17	
Oct. 1/01		$ 51.55
Sep. 4/01		$ 55.63
Aug. 1/01		$ 51.42
Jul. 27/01	$ 50.92	
Jul. 3/01		$ 51.85
Jun. 1/01		$ 51.10
May 1/01		$ 49.60
Apr. 27/01	$ 51.09	
Apr. 2/01		$ 50.25
Mar. 1/01		$ 48.81
Feb. 1/01		$ 52.63
Jan. 29/01	$ 50.64	
Jan. 2/01		$ 46.75
Dec. 1/00		$ 45.00
Nov. 1/00		$ 48.25

Direct dividend deposit service

Canadian-resident holders of common shares may have their dividends deposited by electronic transfer directly into their account at any financial institution which is a member of the Canadian Payments Association. To arrange, please write to CIBC Mellon Trust Company (see Transfer Agent and Registrar).

Transfer agent and registrar

For information relating to shareholdings, dividends, dividend reinvestment accounts, lost certificates or to eliminate duplicate mailings of shareholder material, please contact CIBC Mellon Trust Company at:
P.O. Box 7010, Adelaide Street Postal Station
Toronto, Ontario M5C 2W9
(416) 643-5500 or fax (416) 643-5501
1-800-387-0825 (toll-free in Canada and the U.S.)
e-mail: inquiries@cibcmellon.com

Common and preferred shares are transferable in Canada at the offices of our agent, CIBC Mellon Trust Company, in Toronto, Montreal, Halifax, Winnipeg, Regina, Calgary and Vancouver.

In the United States, common shares are transferable at:
Mellon Investor Services L.L.C.
Overpeck Centre
85 Challenger Road
Ridgefield Park, NJ 0766

Outside of North America, common shares are transferable at:
CIBC Mellon Trust Company
Balfour House, 390 High Road
Ilford, Essex, England 1G1 1NQ

Corporate information

CIBC head office
Commerce Court, Toronto, Ontario, Canada M5L 1A2
Telephone number: (416) 980-2211
Telex number: 065 24116
Cable address: CANBANKTOR
Website: www.cibc.com

Incorporation
Canadian Imperial Bank of Commerce (CIBC) is a diversified financial institution governed by the Bank Act (Canada). CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the charter was amended to change the name to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. CIBC's charter has been amended from time to time to change its authorized capital.

Annual meeting
Shareholders are invited to attend the CIBC annual meeting on Thursday, February 28, 2002 at 10:00 a.m. (Atlantic time) at the World Trade and Convention Centre, 1800 Argyle Street, Halifax, Nova Scotia.

CIBC annual report
Additional copies of the annual report may be obtained by calling (416) 980-4523. The annual report is also available online at www.cibc.com/financialreport/.

La version française : Sur simple demande, nous nous ferons un plaisir de vous faire parvenir la version française du présent rapport. Veuillez composer le (416) 980-4523.

Further information
Corporate secretary: Shareholders may call (416) 980-3096 or fax (416) 980-7012.

Investor relations: Financial analysts, portfolio managers and other investors requiring financial information may call (416) 980-8691 or fax (416) 980-5028.

Corporate communications: Financial, business and trade media may call (416) 980-4523 or fax (416) 363-5347.

CIBC telephone banking: As part of our commitment to our customers, information about CIBC products and services is available by calling 1-800-465-2422 toll free across Canada.

Office of the CIBC ombudsman: CIBC Ombudsman Lachlan MacLachlan can be reached by telephone at 1-800-308-6859 (Toronto (416) 861-3313), or by fax 1-800-308-6861 (Toronto (416) 980-3754).

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Canadian Imperial Bank of Commerce

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